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✦

Trade Promotion Series—No. 149

THE MONETARY USE OF SILVER IN 1933

BY

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United States Government
Designated Depository
Library of Washington University
St. Louis, Mo.

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1933

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FOREWORD

The prominence lately assumed by silver in discussions of worl currency, make the present study of the position of the metal in th world's monetary systems particularly timely. This is a strictl factual bulletin, prepared in the Finance and Investment Divisio from information in its files and the Department's library, supple mented by reports submitted specifically for this study by a consid erable number of representatives of the Departments of State an Commerce in foreign countries. The present bulletin is one o several studies of silver made by the same author, the most recen one, The Silver Market, Trade Promotion Series No. 139, bein principally a treatment of the economic aspects of the productio and distribution of silver.

The position of silver in the monetary systems of most countrie is distinctly subordinate. Very few countries have silver as thei standard of value, namely, China, Hong Kong, Macao, and Tibet Even China now legally impedes the free movement of silver in cer tain forms into and out of the country. Several other countries rel on silver as their chief medium of exchange, but do not make i their standard of value, having adopted some form of the gol standard de jure or de facto. British India and Persia come unde this category. Contrary to an impression held by some persons neither these two countries, nor Australia, New Zealand, Mexico or any other Latin American country employ silver as standard o value.

In a number of countries, the study shows, considerable stocks o silver are held. While those of China and India are the most im portant and the best known, there are significant supplies of th metal in circulation or in the monetary reserves of Spain, Germany France, the United States, and other countries. The bulletin con tains detailed information on the legal provisions relating to silver on the position of silver in the reserves of banks of issue, the cir culation of silver coin, the attitude of foreign countries toward silver, and the possibility of increased use thereof without new legis lation. The survey not only covers foreign countries, but include a detailed description of the position of silver in the United State currency system.

FREDERICK M. FEIKER, *Director*,
Bureau of Foreign and Domestic Commerce.

APRIL 1933.

THE MONETARY USE OF SILVER IN 1933

INTRODUCTION

This study of the present use of silver throughout the world is presented by countries, the subject being examined under four heads: (1) Present legal provisions; (2) possibility of increased use of silver without new legislation; (3) attitude toward silver; (4) present employment of silver. Obviously, the position of silver in the currency systems of the world varies greatly, and it is not possible conveniently to tabulate the results of the present investigation. None the less, certain general observations become possible, and these are presented in the pages immediately following, together with certain data believed pertinent. At the end there is a summary table.

SILVER AS A STANDARD OF VALUE

Silver is the standard of value in but few countries today. The full silver standard exists where silver is the standard of value; where in effect free coinage (i.e., coinage unlimited as to maximum amount) exists for the metal; where silver is unlimited legal tender; where there is ready interchangeability of the other currency of the country with silver, with no maximum limit as to quantity; and where there is full freedom to import and export silver. There is scarcely a silver-using country in the world, except Hong Kong, which fulfills all these requirements. China, last important stronghold of silver, has certain restrictions on silver imports and a duty on certain silver exports, but these technical impairments of the silver standard are not serious in that country's case. Other countries which may be classed as on the silver standard are Macao and Tibet. The currency in use in Ethiopia and Afghanistan is silver, but there are restrictions on the movements of the metal. Persia, British India, Ceylon, and Mexico are *not* on the silver standard, contrary to the belief in some quarters. The four countries just mentioned, also Ethiopia, and all other countries not on the silver standard are normally on some form of the gold standard, or have recently taken steps toward adoption of gold.

SILVER AS A MEDIUM OF EXCHANGE

There is evidently little inclination abroad to use silver in other than a subsidiary capacity. But this capacity is an important one. All countries require various low-denomination coins, a purpose for which silver is peculiarly suited. The metal is durable, attractive, and easily recognizable. Moreover, it is neither too rare nor too plentiful for the purpose, and it lends itself readily to the technical processes of minting. There are, however, certain limitations in the employment of silver as a subsidiary currency metal, as indicated below.

SILVER AS LEGAL TENDER AND SUBSIDIARY MONEY

Although silver is relegated to the position of a subsidiary metal in most countries of the world, there is no uniformity as to its status. In a few gold-standard countries where, ipso facto, free coinage of silver does not exist, silver currency is unlimited legal tender de jure. Such is the case in British India, Ceylon, Mexico, Netherland India, Netherland West Indies, Netherlands, Persia, Siam, and Spain; and smaller countries and colonies like Aden, British East Africa, British Somaliland, British West Africa, Goa, Hyderabad, Pondicherry, Travancore, Zanzibar, and the Spanish colonies. Silver currency is unlimited legal tender by specific provision of law or by custom in Hong Kong, where the nearest approach to the full silver standard exists, and in China (including Manchuria), Afghanistan, Ethiopia, Liberia, Macao, Mongolia, and Hedjaz.

In the United States silver subsidiary coin is limited legal tender, but the so-called standard silver dollars and the silver certificates which represent them are full legal tender except where otherwise specified in the contract.

Subsidiary silver coin, while limited in legal tender, is as a general rule accepted by Governments in tax and other payments without limit as to amount. In this way, if not otherwise, the demand for the different denominations of money in circulation can be adjusted.

SILVER CERTIFICATES

In addition to the United States, countries employing currency certificates redeemable only in silver include British India, British Somaliland, Ceylon, China (including Manchuria), Colombia, Costa Rica, Ethiopia, Goa, Hong Kong, Hyderabad, Kwantung Leased Territory, Macao, Morocco, Netherlands, Panama,[1] Philippine Islands,[1] Pondicherry, Travancore, and Zanzibar.

In Spain and the Spanish colonies the notes of the Bank of Spain may be classed as silver certificates, not because they are not redeemable in gold, but because, in practice, the Bank of Spain redeems them in silver coin, which is its prerogative.

With reference to the above lists, distinction should be made between those countries where silver is full legal tender and those, like the Netherlands, where the certificates are redeemable in the limited-legal-tender currency only. Again, a separate list might be made of those countries whose notes are redeemable in silver coin (e.g., the rupee) itself ultimately, in normal times, redeemable in gold. The silver certificates of the United States fall into this category not by specific provision of law, but by the general tenor of the gold-standard act of 1900.

ATTRIBUTES OF A SUBSIDIARY COINAGE; FIDUCIARY COIN

A coinage is subsidiary when the minting thereof is legally limited as to amount; when its value as currency is—by law—greater than its value as metal; when it is limited as to legal tender; when it is convertible, in reasonable quantities, into the standard money

[1] American silver certificates are used in such Caribbean countries as the Virgin Islands, Cuba, Panama and the Canal Zone, British Honduras, etc. They also circulate in the Philippine Islands, where silver certificates are locally issued as well.

of the country; and when its denominations are smaller than the monetary unit of the country. All subsidiary money is fiduciary, because its value as currency rests on the public's faith in the Government's ability to maintain such value. Coin which has all the above-listed attributes, except that of being smaller in denomination than the unit, is not subsidiary, but is fiduciary.

It is desirable that fiduciary coins have a value as bullion sufficiently low to avoid their being melted down, upon a forseeable rise in the price of their principal metal, for example, silver. If they should be withdrawn from circulation and melted, great public inconvenience might result. This, indeed, has happened in our own history, as witness the scarcity of silver coin during the Civil War. Moreover, during the period of an abnormally high price of silver in 1919–20 the same thing threatened to occur again, when the price of silver at one time rose slightly above the bullion value of our subsidiary silver coinage. To avoid a recurrence of this risk Neil Crothers, in his book, Fractional Money, states (p. 289): "The proper remedy is to reduce the proportion of pure silver in the coins, with a proportionate increase in the copper. The size, design, and wording need not be changed. This plan involves no delays whatever. The only significant change in the coins is an alteration in color. In 1920 England adopted this method, delaying so long after the crisis had arrived that a law was hastily passed reducing the fineness of the silver coins from 92½ percent to 50 percent."

While it is desirable to mint subsidiary coin with a seigniorage sufficiently large to avoid such danger, the content of subsidiary coin should be sufficiently valuable, as bullion, to avoid temptation to counterfeiters. Against the latter risk there are, of course, certain other protective devices.

LIMITS WITHIN WHICH GOLD-STANDARD COUNTRIES MAY FREELY EMPLOY SILVER

Since in every country there is normally a certain minimum demand for currency as a medium of exchange, it is possible within that limit to vary the character of the money, whether metal or paper, with the utmost freedom. Such stock of money may consist in whole or part of commodity money, or it may be entirely fiduciary. Within this limit nations may safely substitute copper for nickel, nickel for silver, or silver for gold-secured paper without affecting the price level. Recently, as this study shows, this principle has been resorted to in Germany, France, Colombia, Cuba, Mexico, Poland, and Spain, as a device to improve the gold ratio. The same principle made safe the substitution in many countries of base metal coins or small notes for silver during the World War scarcity of the metal. Countries which did this were, for example, the Netherlands, Japan, Straits Settlements, France, Belgium, and Greece.

From this it does not follow that there is no other limit to the amount of silver coin which may be issued. Experience of the United States proves that when coins become too cumbersome a more convenient medium of exchange is demanded. Also, in Germany, where large quantities of 5-mark silver pieces were lately put in circulation, there has arisen much complaint of the inconvenience occasioned by the forced acceptance of the heavy coins, and steps are now being

taken to substitute smaller coins. It appears that in modern countries accustomed to the use of banknotes and checks, there is a practical limit to the amount of metal which may be put into circulation.

WHERE SILVER IS A PREFERRED MEDIUM OF EXCHANGE

In certain less-advanced countries, on the other hand, a large part of the population shows a distinct preference for silver rather than paper currency. Particularly is this the case in the backward countries of Africa and Asia, and occasionally in tropical countries, where paper money is in danger of destruction by insects. Countries in these categories are those of the Arabian peninsula, Afghanistan, Algeria, Anglo-Egyptian Sudan, British (and other) India, Ceylon, China (with some local exceptions), Eritrea, Iraq, Mexico, Netherland India, Persia, and Syria.

WHERE SILVER COIN IS NOT IN CIRCULATION

In several countries there are no silver coins in active circulation. Among these are Albania, Argentina, Belgian Congo, Belgium, Denmark, Finland, Paraguay, and Turkey. For a number of years prior to the latter part of March 1933 no silver had circulated in France, and practically none in any French colony except French Indo-China and Pondicherry. The recent issuance of silver by the French Government will undoubtedly be followed by the circulation of the new coins in the colonies where the coinage system of France applies. (See French Colonies.) Turkey, as mentioned elsewhere, is expected soon to issue silver coins.

STATUTORY LIMITS ON SUBSIDIARY SILVER COINAGE

Subsidiary silver coinage in various countries is limited either according to the discretion of the treasury or a currency board, or by specific restriction in the currency law. In the United States, United Kingdom, and most other countries silver is minted only as demand for such coin arises; the law places no limit on the amount of subsidiary currency.

On the other hand, various countries specifically limit by law the amount of subsidiary coin. The limit may be so much per capita, or it may be a specific figure. In some cases the law specifies how much coin of each metal may be issued. In other cases the proportion of silver coin to total subsidiary coin is subject to variation at the discretion of the mint or treasury authorities. Germany, for example, limited the amount of silver coin to 30 reichsmarks per capita; Latvia, to 30 lats per capita; and Lithuania, to 6 litas per capita; while Poland limited the total of silver, nickel and copper coins to 320,000,000 zlote, of which 140,000,000 zlote were to be of silver.

A third group of countries issues silver coin irregularly, in amounts and denominations specified by separate enactment. Thus, France in 1928 passed a law authorizing the issuance within a certain time of 3,000,000,000 francs in silver 10- and 20-franc coins, details of the law being subsequently amended. In Italy the legal authorization for silver coinage specifies the amount of each denomination which may be put into circulation.

In some countries, particularly colonies, new issues of silver coin cannot be made without authorization from abroad. Greece, for example, requires the approval of the International Financial Commission, which was established before the World War to protect foreign loans made to Greece.

Nearly all countries have, at one time or another, passed special legislation for the issuance of commemorative coins. Such issues may fall within the limits defined in the law, or they may be authorized in addition to the coinage previously provided.

MORE SILVER LEGALLY ISSUABLE IN MANY COUNTRIES

While a considerable number of countries have limited by law the amount of silver currency, not all such countries have in circulation all the silver legally issuable. Thus, if necessary, a certain additional amount of silver could be put into circulation there. In other countries, where there is no legal limit, more silver may be issued without formality. The general practice, however, is to issue silver coin only as public demand for subsidiary money requires. Countries where, it is believed, the use of silver coin may be increased without new legislation include the following. It should be borne in mind that the law is not always definite on this point and that it is frequently a matter of opinion whether new legislation would be necessary. In a few cases exact information is not on hand.

Afghanistan
Albania
Anglo-Egyptian Sudan
Argentina (?)
Australia
Austria
Belgium [2]
Brazil
British Honduras
British India
Bulgaria
Canada
Ceylon
Chile
China
Costa Rica (?)
Czechoslovakia
Ethiopia
France [2]
French Indo-China
Goa
Greece
Hedjaz
Honduras
Hong Kong
Hungary
Hyderabad
Iraq
Irish Free State
Italy [2]
Japan
Latvia
Liberia
Liechenstein
Lithuania
Mauritius
Mexico (?)
Nejd
Netherland India
New Zealand
Newfoundland (?)
Nicaragua
Palestine
Panama
Persia
Peru
Philippine Islands
Poland
Pondicherry
Portugal [2]
Salvador
Sarawak
Siam (?)
Spain (?) [2]
Straits Settlements
Sweden
Tibet
Union of Soviet Socialist Republics
United Kingdom [2]
United States [2]

CHANGES IN FINENESS—SALES OF DEMONETIZED SILVER

The amount of silver in monetary use in a country is naturally affected by a change in the fineness of the silver coins. The widespread lowering of the fineness of coins after the World War and the large sales of demonetized silver which followed are frequently alluded to. The more important changes in this respect were designed to prevent melting of the coins by the public. Again, the fineness of the silver coins may be altered in order to make the silver currency more popular. It seems very likely that such a change may soon be made in German coinage, where in March a plan was reported under consideration to alter the 5-mark coin and withdraw the 1-mark silver piece. Under the proposal all the exist-

[2] Including colonies and territories where currency of mother country circulates.

ing 5-mark silver pieces would be withdrawn from circulation and in their place, there would be issued 5-mark coins smaller in size but with the same silver content.

From 1919 to 1932, inclusive, it is estimated no less than 541,000,000 fine ounces of silver obtained from demonetized coin have been sold on the world market. The principal single source of this silver since 1927 has been British India. Important amounts have been sold by the United Kingdom, French Indo-China, France, Siam, Belgium, the Union of Soviet Socialist Republics, Mexico, and Egypt. For convenience the following table, brought down to date, is republished from Trade Promotion Series No. 139, The Silver Market.

ESTIMATED SALES OF DEMONETIZED SILVER, 1920–32, ACCORDING TO COUNTRY OF ORIGIN

[Millions of fine ounces]

Year	United Kingdom	Other European countries	British India	French Indo-China	Other countries	Total, all countries
1920	----------	27.0	----------	----------	----------	27.0
1921	6.5	[1] 30.0	----------	----------	----------	36.5
1922	24.0	19.0	----------	----------	----------	43.0
1923	25.0	20.0	----------	----------	----------	45.0
1924	2.0	18.0	----------	----------	----------	20.0
1925	7.0	23.0	----------	----------	----------	30.0
1926	.7	[2] 7.0	----------	----------	----------	7.7
1927	1.2	[2] 8.0	9.2	----------	----------	18.4
1928	5.5	[2] 32.0	22.5	----------	----------	60.0
1929	10.0	[2] 10.0	35.0	12.0	----------	67.0
1930	[3]	[2 3] 22.0	29.5	20.0	----------	71.5
1931	[3]	----------	35.0	6.4	[4] 27.4	68.8
1932	----------	[5] 11.6	24.0	10.0	[6] 1.0	46.6
Total	81.9	227.6	155.2	48.4	28.4	541.5

[1] Germany accounted for 8,000,000 of this total.
[2] Of the 79,000,000 ounces reported as sold by Europe from 1926 to 1930, inclusive, 66,000,000 came from France and 13,000,000 from Belgium.
[3] In 1930 and 1931 additional supplies came to London from Europe and from the debasement of British coinage. These were all used in the manufacture of coin for other countries and are not shown in this table.
[4] 20,000,000 ounces from Siam, 4,200,000 from Mexico, and 2,900,000 from Egypt.
[5] Union of Soviet Socialist Republics.
[6] Near Eastern sales.

NOTE.—Estimates given in this table are those of Handy and Harman, New York City. The 1932 estimates are subject to revision.

The fine content of the silver coinage has been lowered since 1919 by various countries, including:

Austria
Brazil
Bulgaria
Canada
Ceylon
Chile
Costa Rica [3]
Czechoslovakia
Danzig
Estonia
France
French Indo-China
Germany
Greece
Hungary
Irish Free State
Italy
Japan
Latvia
Lithuania
Mexico
Netherlands
Netherland India
Persia
Peru
Poland
Portugal
Rumania
Siam
Straits Settlements
Switzerland
United Kingdom
Yugoslavia

The use of silver as currency has been discontinued since 1914 in the following countries: Belgium,[4] Denmark,[4] Finland, Norway, Turkey,[4] and until March 1933, France.[5]

[3] Law of Sept. 7, 1917.
[4] Including colonies.
[5] Expected soon to issue silver coins.

Regarding sales of demonetized silver, countries which may sell uch silver in the near future include British India, British West Africa, Estonia, Germany, Guatemala, Netherlands, Siam, and the Union of Soviet Socialist Republics.

In contrast with the above, Czechoslovakia and Turkey are likely o use silver for coinage in the near future, while a well-known Buenos Aires economist has recommended that Argentina employ ome silver in its currency system. Coinage programs involving ilver are now under way for China, Czechoslovakia, France, Iraq, New Zealand, Persia, Poland, Portugal, and Yugoslavia. Silver oinage programs for Germany, French Indo-China, Panama, Colombia, Cuba, and Danzig were recently completed.

NET CONSUMPTION IN COINAGE, 1900 TO 1931, BY SELECTED COUNTRIES

In the following review of the consumption of silver in coinage China is not included because of the inadequacy of statistical data nd because coinage is not the sole index of monetary consumption n a country where silver in a variety of forms passes as currency, while coins circulate on the basis of their value as bullion.

During the 30-year period from 1900 to 1929 the largest net consumption of silver in coinage was that of British India (863,400,000 ine ounces), followed by the United States (236,000,000 ounces). These two countries absorbed over half the total for the 15 selected countries tabulated below. Russia and Mexico followed (with approximately 150,000,000 fine ounces each), in turn followed by Germany, Japan, French Indo-China, and Austria and Hungary considered as a unit.

The consumption of silver for coinage purposes by the 15 countries was subject to considerable variation from year to year. In the United States, for example, net coinage of silver was heaviest in 1900–1904, and during the years of Pittman Act purchases, from 1920 to 1926. British India's coinage demand, also, was irregular, varying with economic conditions in that country. Apart from the unusually heavy demand (497,000,000 ounces) during the war and post-war period 1916–20, the heaviest net coinage consumption in India took place in the years 1903–7, when 233,000,000 fine ounces were coined by the mints. Since 1922 there has been a net annual return of silver from circulation.

Russia's coinage between 1900 and 1929 was very irregular. The heaviest consumption by the mint occurred in 1904, 1915–16, and 1924–25. Mexico coined substantial amounts in 1900–1901, 1903, and 1920–24. Germany's net consumption was largest in the years 1924–26 and Japan's in 1917, when the large amount of 67,200,000 fine ounces (net) was consumed.

During the 5-year period 1927–31 the average annual net consumption by the selected countries was in some cases larger than the annual average for the period 1900–1929. In others, however, a "net consumption" had been displaced by a "net withdrawal from circulation", as the accompanying table shows. Thus, whereas British India's net consumption averaged almost 29,000,000 fine ounces per annum in the 30-year period, analysis of the 5-year period ended 1931 shows an average return from circulation of 24,000,000 ounces

per annum, with the return in the depression year 1931 reaching almost 40,000,000 ounces. In the United States annual net consumption averaged close to 8,000,000 ounces from 1900 to 1929; from 1927 to 1931 the average was only 1,640,000 ounces; and during both 1930 and 1931 there were net withdrawals from circulation totaling 4,600,000 ounces.

The Soviet's consumption showed a small decline in the 5-year period 1927–31, while latterly—as stated elsewhere—the Government has been withdrawing silver coin for exportation. An unofficial estimate puts sales of demonetized silver by the Union of Soviet Socialist Republics in 1932 at 11,600,000 fine ounces. Mexico's statistics show an average net withdrawal from circulation, amounting to 560,000 ounces in 1927–31. This average was slightly smaller than the net withdrawal in the year 1931 alone. Mexico's coinage activity of 1932 is, of course, not included in these figures. Germany's large net consumption for coinage during 1931 (18,000,000 ounces) made the 5-year average 8,340,000 ounces, compared with one of 4,530,000 ounces during the 30 years ended 1929. Japan showed average net withdrawals of 180,000 fine ounces during the more recent period; the United Kingdom, 5,180,000 ounces; France, 4,460,000 ounces; and Italy, 1,120,000 ounces. It is noteworthy that in 1931 the United Kingdom showed a net consumption of 5,300,000 ounces and France 7,800,000 ounces in contrast to withdrawals from circulation in the years immediately preceding. The most marked increase was in the case of Germany. In all other cases studied, 1931 does not compare favorably with 1927–31.

A comparison of the 1927–31 figures with those for 1900–1929 shows increases in the annual average net consumption in the cases of only three countries, Germany, Persia, and the Netherlands. A similar comparison of 1900–1929 with the year 1931 shows increased net consumption in only Germany, United Kingdom, and France.

COMPARISON OF AVERAGE NET CONSUMPTION OF SILVER FOR COINAGE, BY SELECTED COUNTRIES, DURING RECENT PERIODS AND DURING 1931

[In millions of fine ounces]

Country	Net consumption in coinage, 1900–1929	Average net consumption per annum		Net consumption in 1931 (subject to revision) [1]
		1900–1929	1927–31 [1]	
British India	863.4	28.78	−23.98	−39.6
United States of America	236.0	7.87	1.64	−4.4
Russia	151.7	5.06	4.66	----------
Mexico	150.4	5.01	−.56	−.8
Germany	135.9	4.53	8.34	18.0
Japan	132.4	4.41	−.18	----------
French Indo-China	119.0	3.97	2.76	−3.8
Austria and Hungary	120.6	4.02	3.68	.9
United Kingdom	75.9	2.53	−5.18	5.3
Persia	46.3	1.54	3.42	----------
France	25.2	.84	−4.46	7.8
Netherlands	18.4	.61	2.14	−5.5
Australia	15.0	.50	.26	----------
Canada	14.3	.48	----------	----------
Italy	7.1	.24	−1.12	----------
Total	2,111.6	70.39	−8.58	−22.1

[1] The minus sign indicates net withdrawal of coin from circulation.

Source: 1900–1929, Y. S. Leong, Brookings Institution (table on p. 88 of Trade Promotion Series No. 139, The Silver Market, by Herbert M. Bratter); 1927–31, from annual reports of the Director of the Mint.

The second table submitted herewith shows detailed figures on coinage of silver and withdrawal by the mints of 24 countries, as reported to the United States Bureau of the Mint. Also shown are the totals for the world, as reported to the mint. As the figures show, the country which consumed the largest amount of silver in coinage during the period 1927–31 was Germany, which took 41,700,000 ounces in 1930. The other principal net consumers of silver for coinage purposes, in the order of amount consumed were Union of Soviet Socialist Republics, Persia, Austria, French Indo-China, Netherlands, and Poland. Those countries in which the most silver returned from circulation in the period 1927 to 1931 were British India, United Kingdom, France, Netherland India, Italy, and Mexico.

SILVER COINAGE BY SELECTED COUNTRIES FROM 1927 TO 1931, INCLUSIVE

(In millions of fine ounces. A minus (−) sign indicates withdrawal from monetary use)

Country and item	1927	1928	1929	1930	1931 [1]	5-year total	5-year average
Germany:							
Coinage	7.1	12.3	6.3	4.2	18.3		
Withdrawn from circulation	.1	2.7	1.9	1.5	.3		
Net consumption in coinage	7.0	9.6	4.4	2.7	18.0	41.7	8.34
Union of Soviet Socialist Republics:							
Coinage			7.8	15.5			
Withdrawn from circulation							
Net consumption in coinage			7.8	15.5		23.3	4.66
Persia:							
Coinage	3.8	11.4	10.1	.9			
Withdrawn from circulation		3.7	5.4				
Net consumption in coinage	3.8	7.7	4.7	.9		17.1	3.42
Austria:							
Coinage	11.7	5.5	2.9	1.9	1.1		
Withdrawn from circulation	4.5	1.6	1.0	1.2	.2		
Net consumption in coinage	7.2	3.9	1.9	.7	.9	14.6	2.92
French Indo-China:							
Coinage	7.4	7.0	3.3	1.0	7.7		
Withdrawn from circulation	.7	.2	.2		11.5		
Net consumption in coinage	6.7	6.8	3.1	1.0	−3.8	13.8	2.76
Netherlands:							
Coinage	.1	2.3	11.0	13.8	10.7		
Withdrawn from circulation	.1	1.1	9.8		16.2		
Net consumption in coinage		1.2	1.2	13.8	−5.5	10.7	2.14
Poland:							
Coinage			6.6	5.0	1.1		
Withdrawn from circulation		1.2	.8	.8	.2		
Net consumption in coinage		−1.2	5.8	4.2	.9	9.7	1.94
United States:							
Coinage	8.3	6.4	6.2	1.9	.5		
Withdrawn from circulation	2.3	2.9	2.9	2.1	4.9		
Net consumption in coinage	6.0	3.5	3.3	−.2	−4.4	8.2	1.64
Czechoslovakia:							
Coinage		.4	1.4	2.3	1.7		
Withdrawn from circulation							
Net consumption in coinage		.4	1.4	2.3	1.7	5.8	1.16
Bulgaria:							
Coinage				2.6	2.6		
Withdrawn from circulation							
Net consumption in coinage				2.6	2.6	5.2	1.04
Hungary:							
Coinage	1.8		1.0	1.9			
Withdrawn from circulation				.9			
Net consumption in coinage	1.8		1.0	1.0		3.8	.76
Greece:							
Coinage				2.9			
Withdrawn from circulation							
Net consumption in coinage				2.9		2.9	.58
French Morocco:							
Coinage			1.7				
Withdrawn from circulation				.1			
Net consumption in coinage			1.7	−.1		1.6	.32

[1] Subject to revision.

SILVER COINAGE BY SELECTED COUNTRIES FROM 1927 TO 1931, INCLUSIVE—Contd

(In millions of fine ounces. A minus (−) sign indicates withdrawal from monetary use)

Country and item	1927	1928	1929	1930	1931	5-year total	5-year averag
Australia:							
Coinage	2.0	1.0	.2				
Withdrawn from circulation	.5	.5	.5	.4			
Net consumption in coinage	1.5	.5	−.3	−.4		1.3	.2
Union of South Africa:							
Coinage	.5	.8	.7	.3			
Withdrawn from circulation	.6	.6	.2	.2	.2		
Net consumption in coinage	−.1	.2	.5	.1	−.2	.5	.1
Switzerland:							
Coinage		.5	.1		1.5		
Withdrawn from circulation		.5	.1	.1	1.2		
Net consumption in coinage				−.1	.3	.2	.0
Irish Free State:							
Coinage		1.7		.3	.2		
Withdrawn from circulation		.5	1.6	.2			
Net consumption in coinage		1.2	−1.6	.1	.2	−.1	−.0
Japan:							
Coinage		4.4	1.6	.1			
Withdrawn from circulation	.1	5.0	.8	1.1			
Net consumption in coinage	−.1	−.6	.8	−1.0		−.9	−.1
Mexico:							
Coinage	2.2	.5		.2			
Withdrawn from circulation	2.1	1.9	.9		.8		
Net consumption in coinage	.1	−1.4	−.9	.2	−.8	−2.8	−.5
Italy:							
Coinage	19.0	5.4	6.4	3.6			
Withdrawn from circulation	25.8	9.9	1.6	2.7			
Net consumption in coinage	−6.8	−4.5	4.8	.9		−5.6	−1.1
Netherland India:							
Coinage		.9	.1	(2)	5.7		
Withdrawn from circulation		.4		7.6	7.3		
Net consumption in coinage		.5	.1	[2] −7.6	−1.6	−8.6	−1.7
France:							
Coinage			5.0	8.1	7.8		
Withdrawn from circulation		43.2					
Net consumption in coinage		−43.2	5.0	8.1	7.8	−22.3	−4.4
United Kingdom:							
Coinage	2.8	9.0	10.0	2.3	5.3		
Withdrawn from circulation	10.0	18.9	19.3	7.1			
Net consumption in coinage	−7.2	−9.9	−9.3	−4.8	5.3	−25.9	−5.1
British India:							
Coinage	.3	.8	1.0	.6	2.1		
Withdrawn from circulation	.6	14.2	29.2	39.0	41.7		
Net consumption in coinage	−.3	−13.4	−28.2	−38.4	−39.6	−119.9	−23.9
Total, above countries:							
Coinage	67.0	70.3	83.4	69.4	66.3	356.4	
Withdrawn from circulation	47.4	109.0	76.2	65.0	84.5	382.1	
Net consumption in coinage	19.6	−38.7	7.2	4.4	−18.2	−25.7	−5.1
Total, all countries reported to the mint:							
Coinage	143.7	216.1	185.4	179.9	70.5	795.6	
Withdrawn from circulation	54.9	113.1	88.2	81.2	89.5	426.9	
Net consumption in coinage	88.8	103.0	97.2	98.7	−19.0	368.7	73.7

[2] For 1930, coinage for the Netherlands and Netherland India was reported in one figure.

Source: Annual reports of the Director of the Mint.

SILVER IN RESERVES OF CENTRAL BANKS

Analysis of the percentage of silver in total metallic holdings in 18 foreign banks of issue, by 5-year periods, shows a decline of approximately 17 percent between 1900–1904 and 1905–9; 26 percent during the next 5 years; and 42 percent during the World-War quinquennium. The following is based on statistics compiled by Y. S. Leong, of Washington, D.C.

SILVER IN THE METALLIC RESERVES OF 18 FOREIGN CENTRAL BANKS

5-year period	Percent of total metallic holdings (average)[1]	Percentage change from preceding 5-year period	5-year period	Percent of total metallic holdings (average)[1]	Percentage change from preceding 5-year period
1900–1904	24.5		1915–19	8.7	−42.4
1905–09	20.4	−16.7	1920–24	9.1	+4.6
1910–14	15.1	−26.0	1925–29	7.1	−22.0

[1] For each 5-year period the proportion of silver in the holdings of each bank was averaged, and from such averages an 18-country average was computed. Detailed 5-year averages by countries, as compiled by Mr. Leong, were published in Senate Document No. 8, 73d Cong., 1st sess.

During the 30 years covered by the above figures, details of which were published in an appendix to Trade Promotion Series No. 139, The Silver Market, the proportion of silver in total metallic holdings declined in all but 4 of the 18 countries. Those which showed a net increase were Denmark, Japan, Russia, and Switzerland, whose actual silver holdings were and still are relatively small.

In all countries where silver coin actively circulates, the central banks have on hand some silver as till money. Usually, however, in gold standard countries the law governing the central banks' reserves makes no provision for silver, but there are certain exceptions. Central banks at present specifically authorized by law to include silver in their minimum metallic reserves against notes or demand liabilities in general include those of—

Albania
Bolivia
China
Colombia
Guatemala
Hungary
Japan
Manchuria
Netherland India
Netherlands
Peru
Poland
Spain
Union of South Africa
Union of Soviet Socialist Republics
United Kingdom

In addition to the foregoing list, which applies to central banks, silver is included in the monetary reserves of the treasuries or banks of British India, Ceylon, Ethiopia, Goa, Hong Kong, Mexico, New Zealand, Pondicherry, Siam, Straits Settlements, and the United States.

RECENT EXCHANGE RATES

The par value of the monetary unit of each country is shown in the text of the bulletin, following the name of the country. Exchange rates for April 15, 1933, for the currencies of the more important commercial nations, are shown in the following table issued by the Federal Reserve Board.

172120—33——2

Noon Buying Rates for Cable Transfers in New York City

Country	Value in United States money			Country	Value in United States money		
	Unit quoted	Mint par	Rate quoted		Unit quoted	Mint par	Rate quoted
EUROPE				SOUTH AMERICA			
		Cents	*Cents*			*Cents*	*Cents*
Austria	Schilling	14.07	[1] 14.0800	Argentina	Gold peso	96.48	[1] 57.9921
Belgium	Belga	13.90	14.1125	Brazil	Milreis	11.96	[1] 7.6300
Bulgaria	Lev	.72	[1] .7150	Chile	Peso	12.17	[1] 6.0500
Czechoslovakia	Koruna	2.96	2.9833	Colombia	do	97.33	[1] 86.2100
Denmark	Krone	26.80	15.5166	Uruguay	do	103.42	[1] 47.3750
England	Pound	486.66	348.5000				
Finland	Markka	2.52	[1] 1.5400	ASIA			
France	Franc	3.92	4.0305				
Germany	Reichsmark	23.82	23.9640	Hong Kong	Dollar	[3] 33.42	[1] 22.6250
Greece	Drachma	1.30	.5816	China (Shanghai)	Yuan	[3] 21.71	[1] 20.6875
Hungary	Pengo	17.49	[1] 17.4500	India	Rupee	36.50	26.0750
Italy	Lira	5.26	5.1762	Japan	Yen	49.85	21.3125
Netherlands	Florin	40.20	41.0166				
Norway	Krone	26.80	17.7920				
Poland	Zloty	11.22	[1] 11.2000	OTHER COUNTRIES			
Portugal	Escudo	4.42	[1] 3.1400				
Rumania	Leu	.60	[1] .6012				
Spain	Peseta	19.30	8.7216	Australia	Pound	486.66	277.0000
Sweden	Krona	26.80	18.4260	New Zealand	do	486.66	277.5625
Switzerland	Franc	19.30	19.7866	Singapore	Dollar	[4] 40.66	[1] 39.6250
Yugoslavia	Dinar	1.76	[1] 1.3820	South Africa	Pound	486.66	343.6250
NORTH AMERICA							
Canada	Dollar	100.00	83.7767				
Cuba	Peso	100 00	99.9333				
Mexico	do	49.85	[2]				

[1] Nominal.
[2] No quotation.
[3] Silver content of unit multiplied by New York price of silver on April 15, 1933, which was 28¾ cents per fine ounce.
[4] Legally equivalent to 7/60 of 1 English pound. Parity represents 7/60 of quotation of pound in New York on April 15, 1933.

PAPER-CURRENCY STATISTICS

Students of the monetary use of silver may find of interest the following statistics, showing the outstanding note issue of the principal banks of issue as of the end of 1932. The figures, which represent local currency in millions, are taken from the Federal Reserve Bulletin for March 1933. The figures do not include notes issued by governments.

Country	Issuing bank	Unit	Note issue
Albania	National Bank of Albania	Franc	13.1
Australia	Commonwealth Bank of Australia	Pound	46.2
Austria	Austrian National Bank	Schilling	914.0
Belgium	National Bank of Belgium	Belga	3,627.0
Bolivia	Central Bank of Bolivia	Boliviano	[1] 36.1
Brazil	Bank of Brazil	Milreis	170.0
Bulgaria	National Bank of Bulgaria	Lev	2,635.0
Canada	The commercial banks	Dollar	115.0
Chile	Central Bank of Chile	Peso	488.0
China	Central Bank of China	Yuan	[1] 35.2
Colombia	Bank of the Republic of Colombia	Peso	22.5
Czechoslovakia	National Bank of Czechoslovakia	Koruna	6,267.0
Denmark	Danish National Bank	Krone	332.0
Danzig, Free City of	Bank of Danzig	Gulden	36.5
Ecuador	Central Bank of Ecuador	Sucre	24.0
Egypt	National Bank of Egypt	Pound	[1] 19.0
Estonia	Bank of Estonia	Kroon	31.2
Finland	Bank of Finland	Markka	1,085.0

[1] End of November 1932.

Country	Issuing bank	Unit	Note issue
France	Bank of France	Franc	85,028.0
Germany	Reichsbank	Reichsmark	3,560.0
Greece	Bank of Greece	Drachma	4,714.0
Hungary	National Bank of Hungary	Pengo	353.0
Italy	Bank of Italy	Lira	13,672.0
Japan	Bank of Japan	Yen	1,426.0
Latvia	Bank of Latvia	Lat	36.0
Lithuania	Bank of Lithuania	Litas	96.0
Netherland India	Bank of Java	Florin	205.0
Netherlands	Netherlands Bank	do	962.0
Norway	Bank of Norway	Krone	315.0
Peru	Central Bank of Peru	Sol	50.1
Poland	Bank of Poland	Zloty	1,003.0
Portugal	Bank of Portugal	Escudo	1,995.0
Rumania	National Bank of Rumania	Leu	21,594.0
Spain	Bank of Spain	Peseta	4,834.0
Sweden	Bank of Sweden	Krona	598.0
Switzerland	Swiss National Bank	Franc	1,611.0
Turkey	Central Bank of the Republic of Turkey	Pound	163.5
Union of South Africa	South African Reserve Bank	do	8.3
United Kingdom	Bank of England	do	371.2
United States	Federal Reserve System	Dollar	[2] 2,718.4
	National banks	do	[3] 820.5
Uruguay	Bank of the Republic of Uruguay	Peso	84.6
Yugoslavia	National Bank of the Kingdom of Yugoslavia	Dinar	4,773.0

[2] Federal Reserve notes and Federal Reserve bank notes. At the end of March 1933 the corresponding amount was $3,638,300,000.

[3] National bank notes in circulation on March 31 totaled $878,808,000.

GOLD RESERVES OF WORLD

For purposes of comparison there is given herewith a statement of the gold reserves of central banks and governments, as given in the Federal Reserve Bulletin for March 1933. The figures apply to the end of January 1933, and are in millions of dollars.

Country	End of January 1933	End of March 1933
United States	4,074	3,916
Canada	84	81
Europe:		
Austria	21	21
Belgium	362	371
Bulgaria	11	11
Czechoslovakia	51	51
Denmark	36	36
England	602	836
France	3,221	3,152
Germany	196	176
Greece	7	9
Hungary	17	17
Italy	308	331
Netherlands	413	381
Norway	39	40
Poland	57	55
Portugal	[1] 25	30
Rumania	57	58
Spain	436	436
Sweden	55	58
Switzerland	477	489
Union of Soviet Socialist Republics	[2] 368	368
Yugoslavia	31	31
6 other countries	[1] 29	[1] 31
Total, Europe	[1] 6,818	[1] 6,988
Latin America:		
Argentina	249	[1] 249
Chile	10	[1] 10
Colombia	12	13
Peru	[1] 11	[1] 11
Uruguay	49	49
5 other countries	[1] 15	[1] 19
Total, Latin America	[1] 347	[1] 353
Asia and Oceania:		
Australia	42	21
India	162	162
Japan	212	212
Java	42	45
New Zealand	25	25
Siam	30	[1] 29
Turkey	10	10
Total, Asia and Oceania	523	[1] 504
Africa:		
Algeria	8	8
Egypt	33	[1] 33
South Africa	38	54
Total, Africa	79	[1] 95
Grand total, 49 countries	[1] 11,925	[1] 11,936

[1] Preliminary.

[2] August 1932.

LEADING SILVER-PRODUCING COUNTRIES

As having a possible bearing on the attitude of various countries toward silver, there is given herewith a list of the leading producing countries, with the amount of their estimated mine production in millions of fine ounces (troy) in 1932. These countries produced 80.6 percent of the world total.

Mexico	69.3	British India (Burma)	6.0
United States	24.8	Total, 6 countries	129.4
Canada	16.5		
Australia	6.5	Total, world	160.6
Peru	6.3		

Source: American Bureau of Metal Statistics; world total as estimated by Handy and Harman.

COINAGE IN COLONIES, MANDATED AREAS, AND SPHERES OF INFLUENCE

In connection with the detailed information which follows, it should be borne in mind that changes affecting the coinage of the United Kingdom will affect those countries using British coins. (See British Empire.) Similarly, the recent issuance of silver coins in France, in accordance with the 1928 law, implies the circulation of silver in all French colonies using the French coinage system—although they did not have silver in circulation when this investigation was made. (See French colonies.) Changes in the United States coins are reflected in the circulation not only of those territories and possessions under our control,[6] but also of foreign countries like Cuba, Panama, British Honduras, and Honduras, where American money customarily circulates along with the local currency. A similar statement may be made concerning the coinage of Portugal, which circulates in Angola, the Azores, Goa, Madeira, Mozambique, and Portuguese Guinea; that of Italy, which circulates in Eritrea, Italian Somaliland, Libya, San Marino, and Vatican City; that of Japan which circulates in Chosen, Taiwan, Kwantung Leased Territory, the South Manchuria Railway Zone, and the mandated islands of the Pacific; and that of the Netherlands, Belgium, Spain, Denmark, Australia, New Zealand, etc., in the colonies or mandated areas pertaining to them.

CONVERSION EQUIVALENTS

The troy pound is divided into 12 ounces, each of 20 pennyweights (dwts.). One pennyweight equals 24 grains. Thus:

1 dwt. = 24 grains.
20 dwts.= 480 grains=1 ounce (troy).
240 dwts.=5,760 grains=12 ounces (troy)=1 pound (troy).

The following equivalents will be found useful in making conversions from troy to avoirdupois:

1 gram	=15.432 grains=0.03215 ounce troy=0.03527 ounce avoirdupois.
1 grain	=0.0648 gram.
1 ounce troy	=31.104 grams.
1 ounce avoirdupois	=28.35 grams.
1 kilogram	=2 pounds 8 ounces 3 pennyweights troy=15,432 grains.
1 pound avoirdupois	=14.5833 ounces troy.

[6] See footnote 19 on p. 126.

SURVEY BY COUNTRIES

ADEN AND PROTECTORATE

The monetary unit is the British Indian rupee, divided into 16 annas. The rupee has a par value of approximately $0.365.

In Aden the rupee is unlimited legal tender.

Apart from British Indian currency, in the territory surrounding Aden, the Maria Theresa dollar is still widely used, both this coin and the rupee being legal tender in all transactions.

AFGHANISTAN

The official unit of currency in Afghanistan is the silver afghani, commonly known as the Afghan rupee. The afghani is divided into 100 pul. The Afghan rupee has no fixed par value in terms of gold.

Present legal provisions.—The official decree establishing the currency in Afghanistan was issued in 1925.

According to American Consul Renwick S. McNiece, of Karachi, September 11, 1930, "it has been impossible to obtain a copy of the law relating to legal tender in Afghanistan. An informant, who is in a position to know, states that the Afghan Government will accept for taxes and customs duties only its own coins, i.e., amani (gold), afghani (silver), and kabuli (silver). The latter is a coin of old standing, 11 kabuli being equivalent to 10 afghani. Other currency circulates freely in the country, and there are always native exchange dealers (sarafan) who have shops in the compound of the customs house (gumruk) at Kabul who will provide legal tender in exchange for other forms of money * * *.

"There are no laws prohibiting the importation of silver or gold or foreign currency of any kind. Exportation of gold and silver in all forms is strictly prohibited and, if detected, results in the confiscation of the intended export."

The Afghan currency system includes, in addition to the coins mentioned, silver half afghanis (called nim afghani) and 20-pul silver pieces.

Both the gold amani and the silver afghani are 0.900 fine. The nim afghani is 0.500 fine. The silver content of the afghani is believed to be about 140.625 grains (troy).

Possibility of increased use of silver without new legislation.—More silver currency could be issued with little formality.

Attitude toward silver.—Consul McNiece reported in 1930 that "when the afghani was first issued it was the intention gradually to do away with the kabuli. This is still the intention of the Government, but apparently no date has yet been set for withdrawing the kabuli rupee from circulation."

Present employment of silver.—Foreign coins and notes circulate freely. Old silver coins, known as gajrees, circulate freely in Afghanistan, as in Persia. Coins circulate on the basis of their value as

bullion. While the foreign coins mentioned above have wide use, it is not possible to indicate the extent of their circulation in a country where there are no statistics of monetary stocks.

Silver kabuli currency circulates in denominations of 5 kabuli, 2½ kabuli, 1 kabuli, ½ kabuli (called nim kabuli), and 20-paisa (also called 1 thanga or 1 abbasi). There are 60 paisa in 1 kabuli.

ALBANIA

The monetary unit is the Albanian franc, divided into 5 leks. The franc has a par value of approximately $0.1930.

Present legal provisions.—The currency law of July 1925 provides for silver coins in denominations of ½, 1, 2, and 5 francs, but these coins are not now in circulation, although silver coins were minted for Albania by the Italian mint in 1926. Silver coins (crowns) issued by nearby countries before the World War are still to be found in Albania, where they circulate at their bullion value, more or less.

Details as specified in the 1925 law are shown in the following table:[7]

Denomination	Fineness	Gross weight in grams	Legal tender limit
			Francs
5 francs	0.900	25.0	50
2 francs	.835	10.0	50
1 franc [1]	.835	5.0	50
½ franc [1]	.835	2.5	50

[1] It is believed this coin was not struck in 1926.

Albania's note-issue reserve, which must be at least 33⅓ percent, may include silver.[8] The balance sheet of the National Bank of Albania for the last report date in November 1932 showed gold amounting to 5,508,000 francs, foreign exchange totaling 29,891,000 francs, and a note circulation of 12,272,000 francs. No silver was reported.

A law of January 1922 prohibited the exportation of silver coin or bullion.

Possibility of increased use of silver without new legislation.—The National Bank of Albania is entrusted with management of the currency, and could issue silver without new legislation.

Attitude toward silver.—There has been no intimation of legislation which would affect the monetary use of silver in Albania.

Present employment of silver.—Silver coin in circulation at the end of 1931 totaled 8,579 francs and, in the central bank, 250,187 francs.

ALGERIA

The monetary unit is the Algerian franc, divided into 100 centimes. The franc has a par value of approximately $0.0392.

Present legal provisions.—The Bank of Algeria is the medium through which the paper and metal currency is issued, according

[7] Monetary Units and Coinage Systems of the Principal Countries of the World, 1929, p. 20.

[8] Federal Reserve Bulletin, July 1932, p. 437.

to a 1930 report, which stated that the coinage was regarded as temporary, being inscribed "Chambers de Commerce de France".

The law makes silver coins legal tender to 250 francs, but none are now in circulation.

There is no general restriction on the movement of silver, other than the statutory customs duty.[9]

Attitude toward silver.—When France issues silver coins, they will probably circulate in Algeria. It has been reported that the natives would incline to hoard them.

Present employment of silver.—No silver is now in circulation in Algeria. Prohibited from circulation are (since 1894) Italian fractional silver coins; (since 1903) silver coins not current in the country of issue; and (since 1909) Greek silver coins. At the end of 1931 the Bank of Algeria held silver totaling 53,000,000 francs.

ANGLO-EGYPTIAN SUDAN

The monetary unit is the Egyptian pound, divided into 100 piasters. The Egyptian pound at par equals approximately $4.9431. The currency is at present pegged to the pound sterling at the ratio of approximately £E97½ equals £100 sterling.

Present legal provisions.—Except that British and Australian shillings and florins of the King George V issue are accepted at 5 piasters and 10 piasters, respectively, the general provisions of the existing currency laws in the Sudan are in the main similar to those in force in Egypt. The legal tender of silver is limited to 200 piasters.

A proclamation published on June 15, 1923, removed the embargoes on gold and silver exports.

Possibility of increased use of silver without new legislation.—The present use of silver for monetary purposes cannot be extended in the Sudan without legislation.

Attitude toward silver.—No legislation in this connection is at present contemplated.

Present employment of silver.—For hoarding purposes silver is preferred to bank notes, owing to the danger of the latter being destroyed by white ants or fire. However, it is thought that there is not much hoarded silver in the country at the present time.

At the end of 1931 silver in the Sudan was estimated as follows: In Government treasuries, £E845,393; in the banks, £E7,745; and in circulation, £E921,215.

ANGOLA

The monetary unit is the angolar, divided into 20 macutas. The angolar has a par value of approximately $0.0442.

The currency is issued by the Junta da Moeda da Angola (Council of the Coinage of Angola). Coins and notes of 1 angolar and higher denominations are unlimited legal tender; smaller currency is legal tender to 20 times its face value.

The exportation of Angola coins is prohibited.

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[9] In 1930 this was reported by Consul Oscar S. Heizer as equivalent to $0.10 United States currency per 220 pounds gross weight for silver bullion and $0.0665 per 220 pounds for coin.

ARGENTINA

The monetary unit is the gold peso, divided into 100 centavos. At par 1 gold peso equals approximately $0.9647. The Argentine gold peso and paper peso are linked at this ratio: 1 gold peso equals 2.27 paper pesos, thus giving the paper peso a par value of approximately $0.4244. The subsidiary coins represent fractions of the paper peso, which, like the gold peso, consists of 100 centavos.

Present legal provisions.—There are no general provisions in Argentine law for the use of silver as currency, and no silver is in circulation. (The currency in actual circulation consists of paper-peso bills and nickel coins of 20, 10, and 5 centavos. Cooper 2-centavo coins are in limited circulation, being used chiefly for making change at the post and telegraph offices.)

Possibility of increased use of silver without new legislation.—It is believed that silver coins could be issued by the authorities without amendment of the existing laws by executive decree.

Attitude toward silver.—Argentina does not produce over 15,000 ounces of silver per annum, and there is, therefore, little likelihood that a sentiment in favor of silver per se will develop. The public has shown no particular objection to the use of silver coins, but there is certainly no public demand for them.

That silver may be issued is indicated by Dr. Alejandro E. Bunge, a leading Argentine economist, in a statement of December 31, 1932, entitled "Second Memorandum on the Exchange Problem in Argentina." Dr. Bunge states: "It seems that unanimous approval has been won for a scheme to coin small silver currency of 50 centavos and 1- and 2-peso values, up to a proportion between 15 and 20 percent (as in the United States and England) of the circulation. This would allow the retirement of 200,000,000 pesos in notes (all the "peso" issue and a portion of other denominations). The drop in the price of silver at this time is extraordinary to the extent that it reaches only one fifth of the nominal value represented by the coin itself (said coins have reached value at certain times higher than their nominal value). The high cost of reprinting the notes would be reduced, particularly on the 1-peso notes, the printing of which is considered to be extremely high. The gold guaranty remaining after paying the cost of the silver and the coining would reinforce the gold guaranty on the remaining balance of paper currency. Since this remainder would amount to some 30,000,000 pesos gold, the present ratio of 44 percent of the gold guaranty would be increased to 51 percent."

Sir Otto Niemeyer's report on the rehabilitation of Argentine finances, made public in April 1933, recommended that coin be substituted for paper currency of denominations smaller than 5 pesos.

AUSTRALIA

The monetary unit is the Australian pound, divided into 20 shillings of 12 pence each. The pound has a par value of approximately $4.8666. At present it is on the sterling exchange basis at the ratio of approximately £125 Australian to £100 sterling.

Present legal provisions.—Silver currency is regulated by the Coinage Act (No. 6) of 1909, an act relating to currency, coinage, and

egal tender. The act, insofar as it affects silver money, makes the ollowing provisions:

> Issuance of silver coins is controlled by the treasury.
> Silver coins are legal tender for a payment of no more than 40 shillings.
> The Governor General may determine the dimensions, denominations, and east current weight of Australian coins; may direct that any coins, other than ilver or bronze, shall be current and be a legal tender for the payment of any mount not exceeding the amount specified in the proclamation and not exeeding 5 shillings; and may revoke or alter any proclamation previously made.

The act is accompanied by a schedule of standard and least current veights of Australian coins, as also details of fineness and remedy llowance. It fixes the fineness of the silver coinage at 0.925. Following are the approximate gross weights of the Australian coins in grams: Florin, 11.3104; shilling, 5.6552; sixpence, 2.8275; threepence, 1.4138.

Possibility of increased use of silver without new legislation.—From the text of the law there appears to be no restriction on the amount of silver coins which may be put into circulation.

Attitude toward silver.—No legislation affecting the monetary use of silver has been proposed and, so far as is known, none is contemplated. Australia's coinage system being patterned after Great Britain's, it does not seem likely that Australia would alter the monetary use of silver unless to make it conform with that in Great Britain. It will be recalled that, unlike Australia's silver coinage, Great Britain's is now only 0.500 fine.

Present employment of silver.—Coinage of Australian silver currency in the year ended June 30, 1928, amounted to £305,000. In the four succeeding years the figures were: £128,000, £61,000, £237,000, and £289,000. These figures are gross, making no allowance for withdrawals from circulation of British silver coins or for replacement of worn Australian coins. The Australian mints commenced to coin silver in 1910, the total amount issued by the treasury from the beginning of operations to June 30, 1932, being £7,427,000. Worn Australian coins withdrawn from circulation from 1910 to December 31, 1930, amounted to £3,126,000, while British silver withdrawn to June 30, 1932, totaled £1,816,000. Since 1930, when the rate for remittances on London went to a substantial premium, appreciable amounts of British silver have been exported privately so that practically no British silver is now in circulation.

A press report from Wellington on April 19 stated that New Zealand banks had received notice from London that the Bank of England would no longer accept at par British silver coins shipped from New Zealand or Australia.

At the end of 1929 the stock of silver coin and bullion held by banks in Australia totaled £2,402,527.

AUSTRIA

The monetary unit is the schilling, consisting of 100 groschen.
One shilling at par equals approximately $0.1407.

Present legal provisions.—The main provision relating to the monetary use of silver in Austria is contained in article 86 of the statutes of the Austrian National Bank. That article reads in part as follows:

> The entire note circulation, including call liabilities, insofar as it exceeds the amount of Government loans, A, B, and C, must be fully covered by the following assets.

The first four categories of assets do not refer to metal cover. The fifth category is the following:

> By coins of the Republic of Austria in possession of the Austrian National Bank; silver coins may, at the discretion of the bank, also be accounted with their silver value [that is, at their market value as bullion] as a part of the bank's Barschatz [holdings of precious metals and foreign exchange].

The minting of silver coins is controlled by the Austrian Treasury, but their issuance, as appears below, depends on the central bank.

The law of December 20, 1924, authorized the issuance of 4 silver coins, 1 for export only. The 3 coins issued for use in Austria are the 2-, 1-, and ½-schilling pieces, 0.640 fine and having gross weights of 12, 6, and 3 grams, respectively. The fourth coin authorized is the Maria Theresa dollar, weighing 28.0668 grams, 0.833⅓ fine. The first 3 coins are legal tender in payments not exceeding 50 schillings.

Possibility of increased use of silver without new legislation.—The Austrian National Bank has not taken advantage of the provision which places no limit on the use of silver in the currency reserves.

Attitude toward silver.—No legislation which would affect the monetary use of silver is contemplated. Silver coins can be put into circulation only by the Austrian National Bank, which has indicated no intention to put any considerable amount of silver into circulation in the near future. This disinterest in silver is confirmed by Austrian financial experts writing in Viennese newspapers.

Present employment of silver.—The total circulation of silver coins in Austria on October 31, 1932, amounted to 83,161,590 schillings, of which 2,806,773 schillings were in possession of the National Bank. The National Bank holds no silver bullion and only a very small amount of Maria Theresa silver trade dollars, which are used in various parts of Africa and Near Eastern Asia.

The circulation of silver mentioned above compares with the Austrian National Bank's note circulation of 903,000,000 schillings.

AZORES

> The monetary unit is the escudo, divided into 100 centimos. The par value of the escudo is approximately $0.0442. (See Portugal.)

BAHAMAS

> The monetary unit is the pound, divided into 20 shillings of 12 pence each. The pound has a par value of approximately $4.8666.

Present legal provisions.—Under the British Currency Act of November 29, 1883, the British monetary system applies to the Bahamas.

Possibility of increased use of silver without new legislation.—The volume of silver in circulation depends simply on the demands of business.

Attitude toward silver.—No change in the present use of silver is likely.

Present employment of silver.—United States silver coins and other forms of United States currency circulate generally, although not legal tender.

Silver coins struck in London for the Bahamas include 1-, 2-, and 2½-shilling pieces.

BARBADOS

The monetary unit is the pound, divided into 20 shillings of 12 pence each. The pound has a par value of approximately $4.8666.[10]

Present legal provisions.—British currency has always been used in Barbados. Exportation of British silver, except by the Colonial Treasurer, is prohibited under the Trade Act of 1910.

Possibility of increased use of silver without new legislation.—The volume of silver in circulation depends simply on the demands of business.

Attitude toward silver.—No change in the present use of silver is likely.

Present employment of silver.—About £150,000 in British silver was estimated to be in circulation in 1930, according to a consular report. Replies to questionnaires sent out by the United States Bureau of the Mint indicated that silver in Barbados at the end of 1930 totaled (face value) $507,000 United States currency.

BELGIAN CONGO

The monetary unit is the Congo franc, divided into 100 centimes. The franc has a par value of approximately $0.0278.

Present legal provisions.—No provision for silver is made in the currency law.

Attitude toward silver.—No intention to issue silver coinage has been reported.

Present employment of silver.—No silver circulates in the Belgian Congo.

BELGIUM

The monetary unit is the Belgian franc, divided into 100 centimes. The franc, being one fifth of a belga, has a par value of approximately $0.0278.

Present legal provisions.—The monetary law makes no specific provision for silver, and no coins of that metal are in circulation. The subsidiary coinage of Belgium is governed by the royal decree of October 26, 1926, "Arrêté Royal Relatif à l'Emission, par l'Etat, de Monnaies Divisionnaires Destineés à Remplacer les Petites Coupures Mises en circulation par la Banque National de Belgique." This decree was published in the Moniteur Belge of October 28, 1926. There is nothing in the decree which prevents the issuance of silver coins, the matter being left to the decision of the Ministry of Finance.

Possibility of increased use of silver without new legislation.—Despite the foregoing, there is no likelihood that silver coins will be minted in the near future.

Attitude toward silver.—The present nickel, copper, and nickel-copper coins in circulation appear to be satisfactory, and to substitute silver would be considered by many wasteful. It is worth noting, however, that certain individuals in Belgium have been advocating

[10] A unit of account, the British West Indies dollar, equivalent to 4s. 2d. sterling is in use, but it is not coined.

the replacement of the 50-franc banknotes with silver coins. At present this project has not developed sufficient strength to indicate its adoption. On November 15, 1932, there were 572,000,000 francs in 50-franc notes in circulation.

Present employment of silver.—By a decree of July 30, 1932, published in the Moniteur Belge of August 4, the Belgian 5-franc, 2-franc, 1-franc, and 50-centime silver coins were demonetized as of August 1, 1932. Actually, these coins have not been in circulation since the war, as they were at that time hoarded for their value as bullion and, later, gradually bought up by the treasury.

Neither the Belgian Government nor the National Bank of Belgium holds any silver, the last remaining stocks having been sold about 3 years ago.

BERMUDA

The monetary unit is the pound, divided into 20 shillings of 12 pence each. The pound has a par value of approximately $4.8666.

Present legal provisions.—Since January 1, 1842, when the Act of June 22, 1841, became effective, the British currency system has applied in Bermuda. Movements of silver are not restricted.

Possibility of increased use of silver without new legislation.—The volume of silver in circulation depends simply on the demands of business.

Attitude toward silver.—No change in the present use of silver is likely.

Present employment of silver.—American money circulates freely.

BOLIVIA

The monetary unit is the boliviano, divided into 100 centavos. The boliviano has a par value of approximately $0.3650.

Present legal provisions.—The currency is governed by the monetary reform law of July 11, 1928, put into effect by decree of May 2, 1929,[11] and by the law of December 7, 1929. Under the 1928 law, old and new silver coins were made legal tender in payments not exceeding 10 bolivianos, and unlimited legal tender in payments to the Government. The law lists the new silver pieces shown in the following statement:

1 boliviano; 0.800 fine; gross weight. 15.0 grams.
½ boliviano; 0.800 fine; gross weight, 7.5 grams.
⅕ boliviano; 0.800 fine; gross weight, 3.0 grams.

By the law of December 7, 1929, the Government renounced, for a period of 40 years, the right to issue silver coins in favor of the central bank. Under this law the need for small money will be supplied by the bank which will issue not over 7,000,000 bolivianos of 1-boliviano notes, secured by a 50 percent reserve in gold.

The statutes of the Central Bank of Bolivia, which call for a 50 percent gold and gold-exchange reserve against demand liabilities, permit the inclusion of silver to the extent of one fifth.[12]

Article 17 of the 1928 law provides that the Government, through the Minister of Finance, shall meet without delay the demands of

[11] The text of the law appears in the Annual Report of the Director of the United States Mint for 1929, pp. 136–137.
[12] Federal Reserve Bulletin, July 1932, p. 437.

he central bank for the issuance of silver and minor coins against he delivery at La Paz of legal gold coins and notes of the bank onvertible at par. Article 18 provides that the law enter into orce on the day of its promulgation, insofar as it refers to the oinage of silver.

By the law of January 7, 1924, an export tax is charged on silver ore graded according to its value in London; 0.40 boliviano for each ilogram of fine silver when the London quotation for silver does ot exceed 20 pence per standard ounce troy. The tax increases with igher values. Importation of silver in ore or bullion is free of uty.

By laws of 1904 and 1905 exportation of silver money is free, but mportation is forbidden. Silverware exports are charged a duty of 8 bolivianos per kilo, but articles of artistic or historical interest may not be exported. Various surcharges are added to duties.

Possibility of increased use of silver without new legislation.—The 1928 law apparently indicates no limit to the amount of subsidiary silver which may be issued. From the fact that in 1931 and 1932 several bills calling for silver coinage were introduced, it would seem to follow that new coinage is dependent upon special legislation.

Attitude toward silver.—The above-mentioned bills were not approved. Apparently the main interest in coinage centered in copper, rather than silver, pieces. It is said that in Bolivia, where the currency has depreciated, the tendency is to use paper or baser metals, rather than silver.

Present employment of silver.—Until the war, silver circulated in denominations of 1 boliviano and 50, 20, and 10 centavos, but today only a few of these—the 50- and 20-centavo pieces minted in 1908—are encountered. These two pieces weigh 10 and 4 grams, respectively, and are 10/12 fine. Under the 1908 law there were struck, in 1909, 700,000 bolivianos of 50-centavo pieces and 300,000 bolivianos of 20-centavo coins.

At the end of 1932 the Central Bank of Bolivia held 174,000 bolivianos in Bolivian silver coin. Other banks held about 6,400 bolivianos.

The Indians, forming well over half the population of the country, undoubtedly hoard a considerable amount of silver, and show some preference for silver coins over paper or nickel money. Their hoards are believed to be more of the rare old coins than of the 1909 minting. A very large proportion of the silver coins are perforated, having been used in necklaces or tied together for hoarding.

BRAZIL

The monetary unit is the milreis, divided into 1,000 reis. The milreis has a par value of approximately $0.1196.

Present legal provisions.—According to a law (no. 4182) of November 13, 1920, silver may apparently be coined in any amount, provided that an equal amount of paper money be retired. At the same time, it is reported from Brazil, coinage of silver is limited by the law of December 31, 1912, to 15 percent of the paper currency circulation.

The budget law (no. 4632) of January 6, 1923, fixed the fineness of Brazil's silver coinage to correspond with that in force in Great Britain, namely 0.500. This was reaffirmed in Decree No. 15936 of January 24, 1923.

A decree (no. 21358) of May 4, 1932, authorized the issuance of commemorative silver, copper, and nickel coins, and set no limit thereon, other than to fix the legal tender maximum for this issue at 40 milreis.

Possibility of increased use of silver without new legislation.—In the opinion of the director of the Brazilian mint, there is no limit on the issuance of silver. In any case, should a legal obstacle be encountered, the coinage of additional silver could be provided by decree. If the 1912 law be regarded as limiting the coinage of silver, the maximum issue would be about 45,000,000 milreis, or between 8 and 9 times the present circulation of about 5,500,000 milreis.

Attitude toward silver.—Brazil provides comparatively little silver (the yield in 1931 amounting to only 10,000 ounces) and there is no particular preference for the metal. The only motive which might, conceivably, induce the Government to coin silver would be the seigniorage. It is pointed out, however, that such profit is greater in the case of subsidiary coins of other metal. The present circulation of copper and nickel coins is estimated at 10 times that of silver. The increased employment of silver as subsidiary money appears unlikely. So, also, does the use of silver as a monetary reserve.

Present employment of silver.—As stated above, the circulation of silver coins is estimated at 5,500,000 milreis. During the three years 1927–29, the coinage of silver amounted to 2,000,000 milreis. Not all of this is circulating, since much is hoarded in the interior, or lost.

Under the provisions of legislation prior to the decree of May 4, 1932 (mentioned above), the legal-tender limit for silver coins is put at 20 milreis. Decree No. 5413 of 1889 provided for 2- and 1-milreis and 400-reis silver coins of 0.917 fine; Law No. 559 of 1898, for 4-, 2-, and 1-milreis and 400-reis silver coins of the same fineness; various laws from 1905 to 1913 for 2- and 1-milreis and 500-reis silver coins 0.900 fine; and legislation in 1920, 1922, and 1923 for 2-milreis coins 0.900 and, later, 0.500 fine.

BRITISH EAST AFRICA (KENYA, UGANDA, AND TANGANYIKA)[13]

The monetary unit is the East African shilling, divided into 100 cents. The principal unit used in foreign exchange transactions is the pound sterling. The par value of the East African shilling is approximately $0.2433.

Present legal provisions.—The law provides for only two silver coins, the shilling and the 50-cent piece; these are unlimited legal tender. The currency is controlled by the East African Currency Board, which maintains a stable rate of exchange between British East Africa and London.

There are no restrictions on the importation or exportation of silver in any form.

In Uganda, since the substitution of East African currency for the florin currency in January 1922, the latter continues to be legal

[13] See also Zanzibar.

ender, although being withdrawn from circulation. (The florin of 00 cents made its appearance in 1921 as a substitute for the British ndian rupee and was accompanied by the shilling, which was to eplace the half rupee.)

Present employment of silver.—As of June 30, 1931, the stock of lver in circulation in British East Africa was reported by the currency board as £3,184,984, made up of £2,897,020 shilling currency, 68,964 "florin and rupee currency", and £219,000 "in currency trong room."

Silver in circulation in Tanganyika at the end of 1931 was reported s 10,684,301 shillings and silver "in stock" as 22,936,105 shillings. British silver circulates in the coastal towns and cities at a small iscount.

BRITISH EMPIRE

See United Kingdom and the other principal dominions and colonies, which are separately treated in this bulletin.

The British coinage system is used in a large part of the British mpire. According to British Under Secretary of State Amery, n a statement made in Parliament on February 26, 1920, British lver coinage is legal tender in the following 27 dominions, colonies, nd protectorates:[14]

Country	*Legal-tender limit*
Australia	Up to 40s.
Bahamas	No limit.
Barbados	No limit.
Basutoland[15]	Up to 40s.
Bechuanaland (a protectorate of the Union of South Africa)	Up to 40s.
Bermuda	No limit.
British Guiana	No limit.
Falkland Islands	No limit.
Fiji Islands (and rest of Oceania)	Up to 40s.
Gambia	No limit.
Gibraltar	Up to 40s.
Gold Coast	No limit.
Grenada	No limit.
Jamaica (including Turks and Caicos Islands)	No limit.
Leeward Islands	No limit.
Malta	Up to 100s.
New Zealand	Up to 40s.
Nigeria	No limit.
Nyasaland	Up to 40s.
Rhodesia	Up to 40s.
St. Helena	Up to 40s.
St. Lucia	No limit.
St. Vincent	No limit.
Sierra Leone	No limit.
Swaziland	Up to 40s.
Trinidad (including Tobago)	No limit.
Union of South Africa (including the mandated territory of Southwest Africa and Wales Bay)	Up to 40s.

According to the Bureau of the Mint, the British coinage system s in use in the following additional places: British East Africa (including Kenya, Uganda, and Tanganyika), Guernsey, Jersey, Papua New Guinea).

[14] Congressional Record, Senate, May 30, 1932, p. 11524. The comments in parentheses ave been added by the author and are not included in the original statement.
[15] Governed by the High Commissioner for South Africa.

The following is according to the Monthly Review of the Standard Bank of South Africa for December 1932: "Since the departure of Great Britain from the gold standard in September 1931 British and South African silver coins have continued to circulate in the Union on the basis of equal value. In consequence, however, of heavy importations of the former from Rhodesia and overseas to obtain the exchange advantage, the Government decided to withdraw from circulation all British silver, and as from January 15 (1933) the latter will cease to be legal tender in the Union, and will realize only its current exchange value." [16]

BRITISH GUIANA

The monetary unit is the British Guiana dollar, divided into 100 cents. The British Guiana dollar has a par value of approximately $1.0138.

Present legal provisions.—Both the pound sterling and the United States dollar are legal tender, the British Guiana dollar being pegged to sterling at 4 shillings 2 pence. Silver may not be exported without the governor's permission.

Attitude toward silver.—There seems to be no intention to change the present monetary use of silver.

Present employment of silver.—The British Guiana dollar is issued only in the form of paper notes. The recognized currency includes British silver coins and a local silver bit, or 4-penny piece. In 1926 the royal mint struck 30,000 of these pieces for British Guiana.

According to the Bureau of the Mint, in 1930 silver in British Guiana banks and the treasury was, at face value, equivalent to $205,000 United States currency.

BRITISH HONDURAS

The monetary unit is the British Honduras dollar, divided into 100 cents. The British Honduras dollar has a par value of $1.

Present legal provisions.—The currency was established by British Honduras Ordinance No. 31 of 1894, now chapters 35 and 36 of the Consolidated Laws of British Honduras, 1924. The silver money in use includes United States coins other than the standard silver dollar, these coins being accepted at par, and the coins named in the 1894 ordinance which are shown in the following table:

Denomination	Fineness	Gross weight
		Grams
50 cents	0.925	11.620
25 cents	.925	5.810
10 cents	.925	2.324
5 cents	.925	1.162

Silver is limited in legal tender to $10.

Possibility of increased use of silver without new legislation.—Article 5 of the coinage ordinance states that "subsidiary coins may

[16] For details see Union of South Africa.

be from time to time coined for British Honduras, under the directions of the master of the mint, of the metals, denominations, weights, and finenesses (if any) specified in the third schedule to this ordinance."

Article 6 states: "If the Governor of British Honduras at any time requests that any new subsidiary coins, whether of silver, nickel, or mixed metal be coined, and the treasury and a secretary of state approve such request, those new coins may be so coined under the direction of the master of the mint."

Attitude toward silver.—No report has been received to indicate any intention of altering the subsidiary position of silver in the monetary system.

Present employment of silver.—In addition to the coins mentioned above, British coins are tendered occasionally, as when a British warship calls.

The 5-cent silver piece is now rarely found in circulation.

BRITISH INDIA [17]

The monetary unit is the rupee, divided into 16 annas. The rupee has a par value of approximately $0.365. British Indian coins are in use in Ceylon, British Somaliland, Zanzibar, Pemba, Mauritius, and elsewhere, but are being withdrawn from circulation in Iraq (which see). The monetary unit in Ceylon is the rupee, but fractional coins differ from those in use in British India. (See Ceylon.) In Mauritius, the rupee is divided into 100 cents and "cent" coins are in use. Mauritius employs silver coins in denominations of one, one half, one fifth, and one tenth rupee. In Zanzibar silver coins in the denomination of one eighth rupee are issued; these coins in silver content are proportionate to the rupee silver piece.

Present legal provisions.—The British Indian "company" rupee was established in 1835 by the East India Company, to replace the sicca rupee. The company rupee was replaced by the Government rupee in 1862, but the weight of the coin was left unchanged at 180 grains (11.66 grams) and the fineness at 11/12. This has continued to be India's standard coin, although, with the closing of the mints in 1893, the silver standard was abandoned in favor of the sterling-exchange standard. Since 1899 the rupee's exchange value has been officially pegged in terms of sterling, but at a ratio altered from time to time.[18]

According to the Indian currency amendment act (no. 4) of 1927, which became effective April 1 of that year, rupees are redeemable in gold or, at the option of the controller of the currency, in the equivalent in sterling for immediate delivery in London, at the rate of 21 rupees, 3 annas, 10 pies per tola of fine gold. (One tola equals three eighths ounce troy, or 180 grains.) However, conversions are limited to a minimum of 1,065 tolas of gold or the equivalent in sterling.[19]

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[17] Including British Baluchistan, Sonthal Parganas, and the Pargana of Spiti. See also Ceylon, Goa, Hyderabad, Pondicherry, and Travancore.

[18] Space does not permit a discussion here of the workings of the gorld, or sterling, exchange standard in India. The reader is referred to the Report of the Royal Commission on Indian Currency and Finance, par. 30. See J. Laurence Laughlin, A New Exposition of Money, Credit, and Prices, pp. 471–472.

[19] Based on price which Bank of England is by law required to pay for gold in London. For excerpts from the 1927 act, see Annual Report of the Director of the United States Mint, 1928.

172120—33——3

Under the same act the Government stands ready to buy fine gold in minimum quantities of 40 tolas (15 ounces troy).[20] On September 21, 1931, with the suspension of the gold standard in the United Kingdom, the Government, by Ordinance No. VI, suspended the obligation to sell gold or sterling on demand. Ordinance No. VII of September 24 repealed Ordinance No. VI and restricted sales of gold or sterling to normal trade requirements, etc. Ordinance No. VI of January 30, 1932, repealed all restrictions embodied in Ordinance No. VII of 1931.

Silver coinage is governed by the Indian coinage act of 1906, as amended. Act No. IV of March 6, 1918, replaced the 2-anna (one eighth rupee) silver piece by a nickle-copper coin. Act No. XXI of 1919 provided for similar nickel-copper 4- and 8-anna pieces, which were issued from 1919 to 1922. Since then issuance of these denominations exclusively in silver has been resumed.[21]

Details of British India's silver coinage in circulation are shown in the following table:

Denomination	Fineness	Gross weight		Legal tender limit
		Grams	Grains	
1 rupee	0.916⅔	11.6638	180.0	Unlimited.
½ rupee	.916⅔	5.8319	90.0	Do.
¼ rupee	.916⅔	2.9160	45.0	1 rupee.
⅛ rupee	.916⅔	1.4575	22.5	Do.

Although minting of silver one eighth rupee pieces was discontinued in 1918, they continue to be legal tender and are, therefore, included in the table. They are being gradually withdrawn from circulation whenever presented at the currency offices and treasuries. In fact all silver coins minted prior to 1876 are being so withdrawn.

No restriction is placed on the exportation of coin or bullion. On imports of silver an import duty of 7½ annas per ounce was assessed in 1931, a corresponding excise duty being levied on silver mined in India.[22]

India's currency reserve may be divided into two parts: (*a*) The paper-currency reserve and (*b*) the gold-standard reserve.

[20] At a fixed price per tola of 21 rupees, 3 annas, and 10 pies.

[21] Current details of coinage are published annually in the Report of the British Indian Controller of the Currency.

[22] The following history of the duty is reprinted from the Silver Market, Trade Promotion Series No. 139, pp. 43–44:

"An import duty on silver was first levied in India in 1894, at the rate of 5 percent ad valorem. This was increased in 1910 to 4 annas per fine ounce, and in 1920 was abolished entirely. In February 1930 the Indian Government announced the restoration of an import duty on silver, amounting to 4 annas (then about 9 cents) per ounce troy without allowance for alloy or impurity. Exported silver was made subject to a drawback of the full duty. The new measure took effect Mar. 1, 1930. The chief object of the duty was to raise revenue. At the same time it gave a certain advantage to the Indian Government in the sale in India of silver taken from the currency reserve. On Mar. 17 a bill was introduced, levying on newly mined Indian silver an excise duty equivalent to the import duty. The bill subsequently was passed, and made retroactive as from Mar. 17.

"The continued need for additional revenues resulted in an increase in the duty on silver from 4 annas to 6 annas per ounce, effective Mar. 2, 1931. On Sept. 29, 1931, there was presented to the Indian legislative assembly a bill providing a surcharge of 25 percent on existing duties, which raised the duty on silver, both the import and excise, from 6 annas to 7½ annas per ounce. The measure became effective provisionally on Sept. 30, pending passage by the assembly and approval by the governor general. On Nov. 28, 1931, the measure was passed by the assembly and received the approval of the governor general." It is still in effect.

(*a*) The paper-currency reserve is governed by section 19 of the ndian paper currency act (X of 1923) which provides for a eserve in gold and silver amounting to not less than 50 percent of ne total note circulation, the balance to be held in "rupee" and sterling" securities. Not over 50,000,000 rupees of the reserve may e held in gold in England. Sterling securities in the reserve must e securities of the United Kingdom, maturing not over 1 year from ne date of purchase. Rupee securities must be securities of the overnment of India, and may not exceed 200,000,000 rupees. Of his amount, not over 120,000,000 rupees may represent so-called d hoc securities, created by the Government of India for the purose of securing an expansion of the currency, and issued to the ontroller of the currency. When it is desired to contract the curency on account of a slack season or for special purposes, as to trengthen the exchange through firm interest rates, this is effected y contracting the ad hoc securities.[23]

(*b*) The gold-standard reserve has been built up from the profits n the coinage of rupees plus (until April 1923) interest on securities eld therein.[24]

Possibility of increased use of silver without new legislation.—The Indian Government is the sole currency authority in British ndia and may increase the circulation of silver without special uthorization. Article 4 of the Indian coinage act of 1906 states: The following silver coins only shall be coined at the mint for issue nder the authority of the governor general in council * * *."

Attitude toward silver.—The Royal Commission on Indian Curency and Finance (Hilton-Young commission) in 1926, in recomnending the gold-bullion standard for India, also advised that the Government, over a 10-year period, reduce its stock of silver held n the treasury from the approximately 850,000,000 rupees held on April 3, 1926, to a maximum of 250,000,000 rupees, or a reduction rom approximately 292,200,000 fine ounces to only 85,937,500 fine unces. This recommendation was adopted as a policy of the Govrnment, which, between 1927 and March 1932, sold 127,581,564 ine ounces of the metal. Notwithstanding these sales, a large net eturn of rupees from circulation has more than replaced the silver old, so that the Government's holdings of the white metal at the nd of 1932 totaled 1,106,600,000 rupees, or the equivalent of 80,394,000 fine ounces.

It appears to be the policy of the Government to sell silver in ccordance with the 1926 recommendations, but without creating ndue disturbance in the silver market. Naturally, the sales are not announced beforehand. The attitude of the Government toward ilver was expounded by the finance member, Sir George Schuster,

[23] To provide for seasonal or exceptional needs, such as crop movements, the currency authority is allowed by statute to issue currency notes as emergency currency to the Imperial Bank of India to the limit of 120,000,000 rupees against hundis, or internal bills of exchange. With the exception of this emergency currency, the amount of currency notes in circulation may not exceed the total of the reserve in metal and securities, excepting that 50-rupee or 100-rupee notes which have not been presented for 40 years, or 1,000-rupee notes which have not been presented for 100 years after their issue, need not be considered as being in circulation, for the purpose of the reserve. They are considered as having been issued on the credit of the revenues of India and, if ever presented, are to be paid out of those revenues.

[24] The interest is now credited to the revenues of the Government as is the similar interest earned by the paper currency reserve. (See Report of the Royal Commission on Indian Currency and Finance. 1926, vol. I, p. 6.)

in his budget speech on February 28, 1931. Because of the importance of India in the silver market, the remarks are here quoted in full.

I announced in my budget speech last year that the Government of India would be prepared to cooperate with other silver interests if any practical scheme could be devised for controlling the production of new silver and the sale of new and existing stocks. Unfortunately, the only response to my offer has been on the lines indicated in certain utterances which have appeared in the press by representatives of the main producing interests in America. In general, these gentlemen propose that their own production of new silver should remain unrestricted, but that governments and others who hold large stocks of silver should refrain from realizing their holdings, and leave the world's markets free for the new production. Now, whatever criticisms non-official members in this house may have made in the past on our policy of selling silver, I am sure that they would not expect the Government of India to part with the country's rights by acceding to any such one-sided arrangement.

The demand that the Government of India should refrain from selling is, indeed, an astonishing proposition when the facts are studied. For, in fact, the whole world depends on India as a consumer. In the five years ending March 31, 1930, India absorbed about 540,000,000 ounces of silver or 108,000,000 ounces per annum. According to present indications, her absorption, even in the current year, will be up to this average, so that the total absorption in six years will be about 650,000,000 ounces. As against this, the Government of India have sold out of their own holdings a total of only about 90,000,000 ounces since 1926. Yet it is suggested that even this moderate realization is to stop, and that India is to stand aside and keep her own home market free to absorb the production from the mines of Mexico and the United States. This is clearly an unacceptable idea, and, however anxious we may be—as, indeed, we are—to help, we must, as a condition of cooperation, secure fair consideration of India's interests. In the meanwhile we must retain a free hand.

We must also ask ourselves whether cooperation is likely to lead to the desired result. The more I study the matter the more convinced I am that the fall in the price of silver is part of a much wider movement, and the more doubtful I become whether silver can be dealt with successfully in isolation. The fall in silver prices, in fact, has not really been out of relation to that in the case of other metals. Taking the price of silver, tin, lead, spelter, and copper on March 31, 1926, and treating these prices as 100, the figures for the various metals at the end of January 1931 were 46.3 for silver, 41.4 for tin, 44.8 for lead, 38.1 for spelter, and 78.1 for copper. Therefore, with the sole exception of copper, all these metals had fallen more than silver. Without going into further details, these facts alone indicate that, although a fall in silver prices may have wider results—owing to its currency uses—than a fall in the prices of other metals, nevertheless the causes that fall may be the same. Any action which does not touch the causes of the disease is hardly likely to provide a sound remedy. The conclusion to which this leads me is that, if there is to be an international conference of any kind for dealing with silver, it would be of far greater value to the world if it could also deal with all those other factors in the present world situation which might be affected by international cooperation. I believe that such international cooperation is needed, and that India can play a very important part in it. But the development of this idea would take me into a wider sphere than I can traverse tonight. I hope to find other occasions for its discussion.

Regarding Indian hoarding of the precious metals, the matter has been discussed in previous publications of this bureau.[25] As to the native attitude toward gold or silver as the standard of value opinion seems to be divided.

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[25] See Trade Information Bulletin No. 457, The Bombay Bullion Market, by Don C. Bliss, Jr., and Trade Information Bulletin No. 682, The Price of Silver. Trade Information Bulletin No. 742, The Silver Market in 1930; and Trade Promotion Series No. 139, The Silver Market, by Herbert M. Bratter.

Present employment of silver.—Apart from the information on his subject given above, the following information relative to rupees n circulation and in the Government reserve is pertinent.

It was estimated that rupee pieces in circulation totaled 2,870,000,000 n 1928.[26] In 1931 the corresponding estimate was 1,433,000,000 upees.[27] No actual statistics of the circulation are available. From 835 to 1923, inclusive, whole rupees were issued to a total of ,475,695,779. Since 1923 none have been coined.

On December 31, 1932, notes in circulation were valued at 1,748,-008,000 rupees. This represented a slight decrease from the previous ear, when the circulation was 1,793,031,000 rupees. The reserve n December 31, 1932, was as follows: Silver coin, 978,295,000 upees; gold bullion, 186,774,000 rupees; silver bullion, 128,341,000 upees; and securities, 454,598,000 rupees. The percentage of metal-ic reserve to circulation was 73.99 as against 72.14 percent on December 31, 1931. During 1932 there occurred a decline in silver oin which, on December 31, 1931, had stood at 1,150,442,000 rupees. The gold bullion, however, showed a large increase over the 45,-45,000 rupees held at the end of 1931. Silver coin and bullion held by the treasury in recent years is shown by the following table. The rupee figures may be converted into fine ounces by multiplying by 0.34375.

SILVER HOLDINGS OF INDIAN TREASURY AT END OF EACH YEAR SINCE 1914

[In millions of rupees]

End of—	Holdings of coin and bullion	Net annual change	End of—	Holdings of coin and bullion	Net annual change
914	298.7		1924	807.6	−58.5
915	294.2	−4.5	1925	833.3	+25.7
916	173.6	−120.6	1926	1,035.2	+202.9
917	190.5	+16.9	1927	1,085.3	+50.1
918	321.3	+130.8	1928	1,008.8	−76.5
919	436.7	+115.4	1929	1,080.5	+71.7
920	610.9	+174.2	1930	1,199.9	+118.4
921	739.7	+128.8	1931	1,229.9	+30.0
922	860.0	+120.3	1932	1,106.6	−123.3
923	866.1	+6.1			

BRITISH NORTH BORNEO

The monetary unit is the Straits dollar, divided into 100 cents.
The par value of the Straits dollar is approximately $0.5678.

Present legal provisions.—Ordinance No. 3 of January 2, 1914, established the Straits dollar as the monetary unit in British North Borneo.

A subsidiary 25-cent British North Borneo silver piece is minted 0.500 fine. It weighs approximately 2.85 grams and is legal tender to the amount of 5 Straits dollars.

All Straits Settlements money is legal tender in British North Borneo.

[26] G. Findlay Shirras in the Economic Journal (London), December 1929. Mr. Shirras described the rupee-census method in the Journal of the Royal Statistical Society (London), July 1920.

[27] Estimated by C. S. Rangaswami, of Calcutta.

No foreign subsidiary coins other than those of the Straits Settlements may be imported, except in quantities of $1 or less.

Present employment of silver.—It was estimated in 1930 that there were about 34,000 Straits dollars in North Borneo 25-cent silver pieces in circulation. Few Straits Settlements coins are in circulation in British North Borneo. The stock of silver at the end of 1931 was reported to the United States Bureau of the Mint as 32,000 Straits dollars, of which the amount in the treasury was 17,449.

BRITISH OCEANIA

The monetary unit is the pound sterling, divided into 20 shillings of 12 pence each. The par value of the pound sterling is approximately $4.8666.

Present legal provisions.—See United Kingdom.

Possibility of increased use of silver without new legislation.—See United Kingdom.

Attitude toward silver.—See United Kingdom.

Present employment of silver.—Both British and Australian coins circulate in British Oceania.

BRITISH SOMALILAND

The monetary unit is the British Indian rupee, divided into 16 annas. The rupee has a par value of approximately $0.365.

Present legal provisions.—The Indian coinage act of 1906 and all other British Indian currency laws are in force in British Somaliland, in accordance with Somaliland orders in council of 1917 and 1920.

Under the exports and imports ordinance, 1920, exportation of silver coin or bullion from British Somaliland is prohibited, except by special permission of the treasury.

Present employment of silver.—At the end of 1931 silver coin in the treasury totaled £188,280, and in circulation £911,720.

BRITISH WEST AFRICA

GAMBIA, GOLD COAST, NIGERIA, AND SIERRA LEONE

The monetary unit is the West African pound, divided into 20 shillings of 12 pence each. The West African pound has a par value of approximately $4.8666.

Present legal provisions.—The law makes all United Kingdom and West African silver coins legal tender to any amount. Four denominations of West African silver coins were introduced in 1913, namely, two-shilling, one-shilling, sixpence, and threepence pieces. These coins were of the same weight and fineness as the then corresponding coins of the United Kingdom. In 1920 the fineness was lowered from 0.925 to 0.500.

Under authority granted by the Act of August 21, 1924, the West African Currency Board controls the importation and exportation of all currency into British West Africa. No currency can be imported or exported without a permit from the board.

Possibility of increased use of silver without new legislation.—The issuance of new silver currency could be accomplished without new legislation, by substituting silver for other forms of money.

Attitude toward silver.—The increased employment of silver for currency purposes seems to be unlikely.

Present employment of silver.—The silver coins current in British West Africa are United Kingdom and West African silver coins in denominations of two shillings, one shilling, sixpence, and threepence. The West African silver coins introduced in 1913 are being withdrawn from circulation and replaced by nickle-bronze coins. On June 30, 1929, West African silver coins in circulation were reported as approximately £2,228,000. As of the end of 1931, silver coin in circulation in the Gold Coast was reported as £200,000; in Nigeria, £179,542; and in Sierra Leone, £6,000.

No figures are available on the circulation of United Kingdom coins in West Africa, but it is known that they are not in general use, and are being withdrawn.

Regarding the withdrawal of silver from circulation, the Treasurer of Nigeria in this report for the fiscal year 1928–29 stated: "Silver coin to the value of £173,458 was withdrawn from circulation during the year, of which £118,023 was shipped to the United Kingdom to be melted down; £10,000 was exported to Liberia and £40 to the Gold Coast."[28] Exports of silver coin in 1929–30 totaled £266,505 (face value) and in 1930–31 £359,248. The total shipped from 1913–14 to June 1931, inclusive, was £10,718,580, made up of £4,610,300 in United Kingdom silver coin, and £6,108,280 in West African silver coin.

BRUNEI

The monetary unit is the Straits dollar, divided into 100 cents. The par value of the Straits dollar is approximately $0.5678.

Present legal provisions.—See Straits Settlements. According to Enactment No. 5 of 1908 the Resident has the power to prohibit, by public notification, importation and exportation of coin.

Possibility of increased use of silver without new legislation.—No special coins are minted for Brunei.

Attitude toward silver.—No intention to change the present system has been reported.

Present employment of silver.—While a few Sarawak and British North Borneo coins circulate in Brunei, Straits Settlements coins predominate. Coins in denominations of 20 cents or less are legal tender in amounts of 2 Straits dollars.

BULGARIA

The monetary unit is the lev, divided into 100 stotinki. The lev has a par value of approximately $0.0072.

Present legal provisions.—The currency was stabilized by the Law for the Stabilization of the Lev and Monetary Circulation in the Kingdom of Bulgaria, published December 3, 1928. The law

[28] The £2,228,000 figure mentioned above compares with a total currency circulation of over £13,612,000.

repealed earlier laws of 1880, 1897, and 1919. By it silver coins in payments other than to the Government are limited in legal tender to 2,000 leva.

The 1928 law provided for silver coins as shown in the following statement.[29] The original law made the coins 0.680 fine, but a subsequent amendment reduced this to 0.500.

100 leva; 0.500 fine; gross weight, 20 grams.
50 leva; 0.500 fine; gross weight, 10 grams.
20 leva; 0.500 fine; gross weight, 4 grams.

Article V of the law of 1928 states: "The nominal value of the metal coin put into circulation shall not exceed 300 leva per person, as determined from the last census results."

Trade in and exportation of silver, silver coins, and silver salts is unrestricted, as provided in article 9 of the 1928 law.

According to the 1928 law, "the coinage of silver pieces, as well as that of the small-change money of common metals, shall be in accordance with articles 8 and 73 of the national bank law on the recommendation of the Minister of Finance and authorized by a royal decree to be published in the Official Gazette. The Bulgarian National Bank shall have the right to return to the State treasury coins in any amount it may find necessary, and the State treasury shall pay the bank for the nominal value of the coins so returned." Up to the 300 leva limit, mentioned above, new coins may be issued without new legislation. (Bulgaria's population in 1931 was estimated at 6,031,000.)

Possibility of increased use of silver without new legislation.—Since coin minted amounted to only 1,241,000,000 leva in March 1933, several hundred million leva of coin may be issued without new legislation.

Attitude toward silver.—The 1928 law keeps silver in a subsidiary position, and no change in this respect seems likely. There is no intention of increasing the present silver coinage, which apparently is entirely adequate for the needs of the country.

Present employment of silver.—In July 1929 it was decided to mint 580,000,000 leva in silver, out of metal held by the National Bank of Bulgaria in the form of old Bulgarian coins.

Bulgarian silver currency in circulation was reported as follows in March 1933, the actual amount of silver used in its manufacture totaling 80,314,621 grams.

	Face value in leva
20 leva	200, 159, 820
50 leva	451, 400, 000
100 leva	155, 622, 300
Total	807, 182, 120

The 807,182,120 leva compares with a total of 1,240,572,120 leva for all metallic money, including silver. In citing these figures, Consul John McArdle reported from Sofia on March 10, 1933, as follows:

Up to September 30, 1930, the National Bank of Bulgaria held as a currency reserve, with gold, a certain amount of silver coins of different mints, valued at 169,962,190 leva. According to the register of the bank, these silver coins

[29] Annual Report of the Director of the Mint, 1929, p. 151.

hed 93,954,162 grams, the content of fine silver being placed at 80,149,375 ıs. The coins, on the basis of the prevailing price of silver, were sold ıe treasury for 128,532,802 leva, or at the approximate rate of 1.60 leva ɔne gram of fine silver. The treasury also purchased in the open market oximately 400,000 grams of silver, valued at 784,980 leva. Thus, the total unt of fine silver available totaled 80,639,375 grams, valued at 129,317,782 which was used in minting the present silver coinage of the total face e of 807,182,120 leva.

should be noted that from September 30, 1930, silver ceased to serve as a ency reserve of the National Bank of Bulgaria.

he coinage circulation figures compare with a note issue of 6,000,000 leva at the end of January 1933.

CANADA

The monetary unit is the Canadian dollar, divided into 100 cents. The Canadian dollar has a par of $1.

resent legal provisions.—The 1910 Currency Act as amended date governs the monetary use of silver. The act provides for er coins in denominations of $1, and 50, 25, 10, and 5 cents, all 0 fine and legal tender for payments of not over $10. The law vides that, ordinarily, coining shall be done at the Ottawa branch the Royal Mint.

he Minister of Finance may from time to time issue, out of the solidated revenue funds, such sums as may be necessary for the chase of bullion in order to provide supplies of coin for the lic service.

he Governor in Council may from time to time by proclama- n determine the dimensions of and designs for any coin, denom- tions, remedy, etc., and revoke or alter any proclamation pre- usly made. The latter proviso would seem to give him very wide wers.

ossibility of increased use of silver without new legislation.—cause the Governor in Council has considerable latitude, as de- ibed above, it appears that the monetary use of silver could be ended without further legislation.

ttitude toward silver.—Despite the foregoing, there is evident tendency to increase substantially the issue of silver coins, and legislation involving the monetary use of silver is believed to be ntemplated.

Present employment of silver.—Canadian silver coins in circula- n totaled approximately $28,159,500 on October 17, 1932. This s an increase of almost $427,000 within a year. The increase, it explained, was caused by the replacement of American silver ins withdrawn from circulation because of the premium on the nerican dollar.

It is of interest to note that the mint at Ottawa passed from itish to Dominion control on December 1, 1931, and is now the yal Canadian Mint, a branch of the Canadian Department of nance. With this change, the right to coin sovereigns was andoned.

CANARY ISLANDS

The monetary system of Spain applies to the Canary Islands.

CAPE VERDE ISLANDS

The monetary unit is the escudo, divided into 100 centimos. The escudo has a par value of approximately $0.0442.

Present legal provisions.—The Portuguese coinage system applies to the Cape Verde Islands. (See Portugal.) The coins are identical, excepting for the additional wording "Cabo Verde."

The issuance of coin is controlled by the Banco Nacional Ultramarino, which by Decree No. 17154, of July 26, 1929, became the bank of issue for all Portuguese colonies other than Angola, this privilege to run for 30 years, beginning August 5, 1929.

CEYLON

The monetary unit is the rupee, divided into 100 cents. The rupee has a par value of approximately $0.365.

Present legal provisions.—The standard coin of Ceylon is the British Indian rupee, as provided by the Ceylon coinage order of February 6, 1892. The fineness of the subsidiary coins is as provided in the law of August 19, 1919, prior to which these coins were minted 0.800 fine. Silver coins are listed in the following table, the Ceylon coins being minted for the Ceylon Government by the Royal Mint.[30]

Denomination	Fineness	Gross weight in grams	Legal-tender limit
British Indian rupee	0.916⅔	11.6638	None.
British Indian half rupee	.916⅔	5.8319	5 rupees.
British Indian quarter rupee	.916⅔	2.9160	5 rupees.
50 cents	.550	5.8319	5 rupees.
25 cents	.550	2.9160	5 rupees.
10 cents	.550	1.1664	5 rupees.

Under the Ceylon Paper Currency Ordinance of 1884 Ceylon currency notes are redeemable in rupees. The notes are unlimited legal tender.

Possibility of increased use of silver without new legislation.—The 1892 coinage order provides that subsidiary coins may be minted from time to time for the Colony. It adds: "If the Governor of the Colony from time to time requests any new coins of less value than the rupee * * * and the commissioners of Her Majesty's treasury approve such requests, those new coins may be so coined."

Attitude toward silver.—The natives have for generations treasured silver along with gold, and there is a strong sentiment in favor of silver. The Government is, of course, influenced by opinion in Great Britain, the currency being definitely linked to the pound sterling.

Present employment of silver.—Ceylon subsidiary silver coins outstanding at the end of 1931 were reported to total 10,343,534 rupees, while silver in the treasury was reported as 16,778,692 rupees.

CHANNEL ISLANDS (GUERNSEY AND JERSEY)

The monetary unit is the pound sterling, divided into 20 shillings of 12 pence each. The par value of the pound sterling is approximately $4.8666. (See United Kingdom.)

[30] According to Monetary Units and Coinage Systems of the Principal Countries of the World, 1929, p. 33.

CHILE

The monetary unit is the peso, divided into 100 centavos. The peso has a par value of approximately $0.1217.

resent legal provisions.—Under the Decree Law No. 104 of y 1, 1932, future silver coinage will be limited to the 1-peso piece ghing 6 grams, 0.400 fine. Other silver coins are to be with-wn. (In November 1932 such other coins outstanding, according he Chilean Mint, amounted to 14,536,944 pesos, mostly 1-peso s.[31]) Due to variations in the value of the Chilean peso since t, the silver coinage has at times been worth less as money than ullion. Therefore legislation affecting silver has been frequent. m 1914 to 1924 there were coined 15,000,000 pesos of 1-peso coins ghing 9 grams, 0.720 fine. In 1924 there were issued 10,000,000 so coins of the same gross weight, but only 0.500 fine.

nder Decree Law No. 606 of October 14, 1925, four denominations ilver coins were authorized, namely, ½, 1, 2, and 5 pesos, all 0 fine and legal tender for payments of not over 50 pesos. The was modified on December 31, 1926, so as to reduce the number oins to three (a 5-peso piece 0.900 fine, a 2-peso piece 0.500 fine, a 1-peso piece 0.500 fine). The law was further modified on ember 28, 1928, so as to limit the silver coins to 1- and 2-peso es, both 0.720 fine.

ossibility of increased use of silver without new legislation.—The apparently sets no maximum on the coinage of silver. Seem-y, minting depends on various circumstances. The central bank recently had to issue 7,245,000 pesos of 1-peso notes because of the tage of subsidiary currency. (The maximum of such notes ch the bank may issue is 20.000,000 pesos.) These notes, it is ex-ed, will eventually be replaced with silver coins, when exchange mes stable. The shortage of coins is explained by the activity peculators, who melt down coins and export the demonetized al whenever the exchange market favors such procedure.

is believed that no material coinage of silver will take place for e time.

ttitude toward silver.—The employment of silver for subsidiary ency is viewed favorably in Chile, since the country produces metal in modest quantities. (In 1931 its mine output was ap-ximately 372,000 fine ounces.)

aw No. 5146, which was published in Diario Oficial of March 25, 3, provides for the minting of 1-peso coins of nickel. Presum-the new coins will gradually displace silver coins of the same omination now in circulation.

resent employment of silver.—According to the United States eau of the Mint, Chile's monetary stock of silver at the end of 1 consisted of 12,540,353 pesos in circulation and 6,515,543 held he treasury and central bank.

n March 27, 1933, Commercial Attaché Ralph H. Ackerman re-ted from Santiago that silver in circulation consisted of the fol-ing: 141,655 5-peso coins minted under Law No. 4111, containing ½ grams of fine silver each, and totaling 708,275 pesos in value; ,798 2-peso coins minted under Law No. 4111, containing 9 grams ine silver each, and totaling 1,427,596 pesos in value; 11,407,643

[31] See comment below, under "Present Employment of Silver."

1-peso coins with a fineness of 0.500, containing 4.5 grams of fine silver, totaling 11,407,643 pesos in value, of which 3,889,669 were minted in accordance with Law No. 4111. There have also been minted 4,000,000 1-peso coins having a fineness of 0.400, minted in accordance with Decree Law No. 104. No silver coins were minted in accordance with the provisions of Decree Law No. 606 and Law No. 4468.

CHINA [32]

> The monetary unit of the Nationalist Government is the yuan, divided into 100 fen [cents]. The yuan, being silver, has no fixed par value in terms of gold.

Present legal provisions.—China's currency system is complicated, and may best be described without making detailed reference to the numerous coinage laws promulgated since the overthrow of the Empire in 1911 or to the various local currencies.

While the greater part of China's small business is conducted with copper as the medium of exchange, the country's principal currency metal is silver, which may be said to be the standard of value. In certain sections silver circulates principally in the form of yuan coins, while in others, bullion in the form of "shoes" of sycee comprises the main medium of exchange in large-size business transactions.[33] Bank notes secured by silver are extensively used in the larger cities.

It may be said that practically throughout China, silver in almost any form is money. In this sense China can be said to have free coinage. Until April 1933 there were no important restrictions on the importation or exportation of silver, imports of foreign silver coins alone being prohibited.[34] A great part of China's business is done by means of different taels. A tael, called "liang" in Chinese, may be described as a local Chinese "ounce" of silver, varying in content according to locality. The principal taels in use at the beginning of 1933 were: The Shanghai tael, used in and

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[32] The use of silver in Hong Kong and Mongolia is described in separate sections; the use of silver in Manchuria is described at the end of this section.

[33] Thus, according to an article in the Chinese Economic Journal for February 1933, the tael had been a more popular monetary unit in Shanghai than the yuan, but in the interior of China business is done largely in terms of yuan. This explains why bar silver was more frequently minted into coin than cast into sycee. "Shanghai has long been known as the place where dollars accumulate, but as a matter of fact Shanghai is mainly a tael-using port, and the accumulation of yuan is made possible only because its geographical position makes it a convenient center for distribution. Moreover, bar silver is often more profitably minted than converted into sycee, on account of the higher price of the yuan as compared with its bullion value. Only when yuan have depreciated to such an extent that they are quoted at a lower level than that of their silver content, are they melted into sycee. But then [sycee being manufactured from coin] there would be less demand for bar silver, and its reexport to the United States would most probably take place, as was the case in 1932 when the tael-yuan exchange fell to an unprecedented low rate. * * * Sycee has practically disappeared from Chinese cities and, according to one expert's estimate, of the total sycee in China—100,500,000 Shanghai taels—there was approximately 100,000,000 Shanghai taels in Shanghai."

[34] This restriction, imposed in 1930, was directed chiefly at the flow of French Indo-Chinese piasters which had been occasioned by the stabilization of that unit commencing in the latter part of 1929. Such imports into China, however, normally do not form an important part of China's silver imports.

A local prohibition of exports of silver coin was announced by the Cantonese authorities in the latter part of 1932. On Oct. 5 Finance and Commerce [Shanghai] reported: "Due to the outflow of small-coin silver from Canton to Shanghai for arbitrage reasons, the Cantonese authorities are realizing that, out of the 70,000,000 yuan small coin of the Sun Yat Sen type, only 45,000,000 are left. The remainder has disappeared, the bulk having found its way to the melting pots of the Shanghai loofangs. * * * At the close of September the Canton Government issued an order prohibiting the export of silver. No person is permitted to bring out of Kwangtung silver coins exceeding 50 yuan in value."

around Shanghai; and the haikwan tael, not a currency but a unit used only by the Chinese Maritime Customs in the collection of export duties and for statistical valuation of imports and exports. According to a cabled report from Shanghai, Chinese banks, exchanges, and business firms on April 6, 1933, discontinued the use of the tael as a unit of value and of sycee as a medium of exchange, in accordance with the order of the Central Government of China. Thus, the new yuan replaces tael currency. The use of the haikwan tael has also been discontinued, according to an announcement made on March 10, 1933, by the Chinese Maritime Customs.

The principal coin of China is the yuan, which has hitherto varied somewhat in weight or fineness but which now is minted at the new Shanghai mint [35] to weigh 26.6971 grams 0.880 fine. The mint accepts silver for coinage into yuan at 71½ Shanghai tael cents [36] per yuan.[37] Operations at the new mint commenced March 1, 1933.

It is emphasized that China is a vast country and no single currency system applies to the whole. The currency laws of the central Government are not enforceable throughout the country. In South China, for example, the provincial mints have been coining silver intermittently as the local authorities see fit. A large part of the so-called "small money" silver coins which have been issued in China during recent years have been minted in Kwantung Province. These coins, purporting to be one fifth or one tenth yuan, actually contain an amount of silver less than proportionate to that contained in the unit, and hence circulate at approximately their value as bullion only. In all, there were in 1930 approximately 10 provincial mints coining silver, copper, or both. In August 1932 the central Government ordered all provincial mints to close, but how many have done so is not known.

Shanghai Customs Notification No. 1290, dated April 7, 1933, reads as follows:

> The public is hereby notified that in accordance with Government instructions from April 6 this year a duty of 2¼ percent ad valorem will be levied on export abroad of silver sycee, silver bars, silver ingots, silver slabs and silver in mass. This duty, however, will not be levied on export abroad of central mint bars.

Possibility of increased use of silver without new legislation.— There is no legal restriction on the amount of silver coin which the Government may issue. Should new legislation be required, it could be quickly and easily enacted.

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[35] This central Government mint, which is entirely equipped with American machinery, is said to be the largest in the world.

[36] A "tael-cent" is one one hundredth of a tael.

[37] On this point Finance and Commerce of Jan. 4, 1933, commented as follows: "The conversion rate of 71½ tael cents per yuan is slightly higher than would be indicated by the silver content of the coin. The new yuan will contain 69.92305 tael cents of silver. Mint charges to be added to this are estimated at 1¾ percent, or 1.22365 Shanghai tael cents. This makes a total of 71.14670 Shanghai tael cents. This last-mentioned figure should be the official conversion rate between Shanghai taels and the new yuan for contracts or obligations entered into previously in terms of taels. That a higher quotation has been adopted as the official conversion rate is explained by two reasons:

"1. At the close of 1932 the actual rate of exchange in Shanghai as between taels and yuan was higher than 71.15 and it is deemed advisable not to disturb the market ratio unnecessarily.

"2. The above-mentioned 1¾ percent minting charge is only approximate. During continuous minting operations a 1¾ percent minting charge would probably cover costs. In the beginning, however, the cost of coinage will necessarily be higher for some time to come, and it is, therefore, but reasonable to give the mint some leeway by setting the rate at 71½ cents."

Attitude toward silver.—Although the Kemmerer Commission's recommendation that China take steps leading to the eventual adoption of the gold standard have the approval of Chinese authorities, the accomplishment of that transition is at present not within the reach of China. An essential requirement would be the accumulation of a fund to stabilize the exchange value of the new currency.

It is evident that the authorities at Nanking have been making every effort to unify the currency, a step which will be necessary before the chief Kemmerer recommendation can be carried out. Among the measures of unification reported from time to time have been the creation of the customs gold unit February 1, 1930 [38]; the completion of the Shanghai Mint and commencement of its operations on March 1, 1933; the introduction into circulation of the new yuan coin immediately thereafter, accompanied by the abolition of the antiquated haikwan tael; and the declaration of an embargo on gold exports on May 15, 1930. It is the intention of the Government to abolish the tael system of currency as rapidly as possibly.

Notwithstanding these measures, it will probably be a long time before the currency can be put on a gold basis. Even when that objective is attained it seems safe to predict that China will continue to use vast quantities of silver in its currency system.

Present employment of silver.—Among the Chinese silver coins in use in China may be listed the following "dollars": The Sun-Yat-sen, Yuan-Shih-kai, dragon (over a dozen kinds), Kwangtung, Szechwan, and the Kweichow. Subsidiary silver coins comprise a very limited quantity of half-yuan pieces, mostly of Yuan-Shih-kai variety; 20- and 10-cent pieces, the 20-cent pieces being mostly of Canton mintage, but some also of the Yuan-Shih-kai mark; some Kwangsi, Yunnan, and Szechwan 20-cent pieces; and Yuan-Shih-kai, Dragon, and provincial 10-cent pieces. These 20- and 10-cent pieces are current in varying degrees in various sections of the country, and are accepted basically on their intrinsic value as bullion. They are accepted by the customs at varying rates. For instance, in one community six and a fraction 20-cent pieces will exchange for a yuan, whereas in another community five and a fraction will be considered equivalent to a yuan—the fractions being paid in coppers.[39]

Eduard Kann, Shanghai silver authority, estimated the quantities of various yuan circulating in China, as follows:[40]

	Yuan
Imperial "dragon dollars" out of a total of 286,350,000	200,000,000
Republican yuan minted from bar silver until 1930	735,443,000
Republican yuan minted from bar silver during 1931	32,720,000
Republican yuan minted from sycee until 1930	400,000,000
Republican yuan minted from sycee during 1932	59,062,000
Republican yuan minted from melted foreign dollars and imported silver	200,000,000
Total Chinese yuan	1,627,225,000
Estimated foreign "dollars" in circulation	80,000,000
Grand total	1,707,225,000

[38] A bookkeeping unit rather than a currency. Some customs-gold-unit notes were issued, but they have not proven popular.

[39] A list of silver coins in use in various regions in China forms Appendix C of the Currency Report submitted to the Chinese Government on Nov. 11, 1929, by the Commission of Financial Experts headed by Prof. E. W. Kemmerer.

[40] Finance and Commerce (Shanghai), Jan. 27, 1932.

Foreign silver coins, which were circulated freely in China, are now infrequently encountered. The most common was the so-called "Mexican dollar", a peso coin formerly minted in Mexico.[41] Hong Kong, or British dollar coins were formerly used quite commonly in South China, but in recent years they have been largely replaced by the more convenient Hong Kong dollar notes. Some "Mexican dollars" and "Saigon dollars" are still in use.

The stock of silver in China was, in December 1932, estimated at 1,600,000,000 fine ounces by Commercial Attaché Julean Arnold, one third of the amount mentioned being held in Shanghai. Eduard Kann, of Shanghai, at about the same time estimated China's stock of silver at 2,000,000,000 fine ounces, with holdings at principal places as follows: Shanghai, 530,000,000 ounces; Manchuria, 100,000,000 ounces; Tientsin, 100,000,000 ounces; Hankow, 50,000,000 ounces; and Hong Kong, 150,000,000 ounces. Shanghai's stock of silver consists of metal in circulation or in private hoards, and that held by the banks. The latter silver falls into three categories—coin, bar silver, and sycee. Thus, on March 11, 1933, Shanghai banks held 161,300,000 fine ounces in the form of sycee, 220,000,000 yuan of silver coin, and 12,120 bars (each weighing approximately 1,050 fine ounces). The total weight of the three classes was approximately 345,020,000 fine ounces. Comparative figures for recent dates follow:

SILVER HELD BY SHANGHAI BANKS ON RECENT DATES

Date	Sycee, in thousands of fine ounces	Coin, in thousands of yuan	Number of bars	Total in thousands of fine ounces
Jan. 1, 1929	62,000	101,000	5,740	147,195
Jan. 1, 1930	85,600	126,000	7,620	192,388
Jan. 1, 1931	92,400	153,000	2,760	214,929
Jan. 1, 1932	55,650	168,000	3,660	190,884
Jan. 1, 1933	146,000	217,500	6,280	321,930

Source: American Bureau of Metal Statistics.

The figures in the foregoing table compare with a total of about 260,000,000 yuan, representing outstanding note circulation of the banks in Shanghai.

(The reader may be interested in referring to Currency, Banking and Finance in China, by Frederic E. Lee, published in 1926 as Trade Promotion Series No. 27 (copies may be obtained at 30 cents from the Superintendent of Documents, Government Printing Office, Washington, D.C.); see also, the Currencies of China, by Eduard Kann, Shanghai, 1926. A summary of the recommendations of the Kemmerer Commission of Financial Experts in 1929 as relating to China's currency system was published by the Finance and Investment Division, Bureau of Foreign and Domestic Commerce, as Special Circular No. 335 under the title "The Kemmerer Recommendations for Currency Reforms in China.")

KWANTUNG LEASED TERRITORY

In the Kwantung Leased Territory, the Japanese coinage system applies.

[41] The U.S. Bureau of the Mint states that this coin weighs 27.07 grams and is 0.9027 fine.

MANCHURIA

Present legal provisions.—Although Manchuria's currency for years consisted principally of paper notes, the changes inaugurated in 1932 are designed to give the country the silver standard until such time as the gold standard can be adopted.

To "unify and stabilize" the currency of Manchuria, the Central Bank of Manchukuo was established June 15, 1932. Not only are its notes designed to replace the numerous kinds of paper money previously issued in Manchuria—a process already commenced—but the bank is intended to be the sole medium for the issuance of coin as well. Article XIV of "the law of the central bank of Manchukuo" states that the central bank shall issue notes and coins as provided in the currency law, article I of which reads:

> The right of minting and issuing coins belongs to the Government. The Government shall instruct the Central Bank of Manchuria to carry it out.

The law provides that the monetary unit shall be 23.91 grams of pure silver, the unit to be known as a "yuan."[42] The yuan is divided decimally into tenths, called "chio"; hundredths, called "fen" (in English, cents); and thousandths, called "li." The law provides that for paper notes there shall be a reserve of at least 30 percent in gold and silver bullion, reliable foreign currencies, and deposits with foreign banks in gold and silver accounts. It also provides for nickel and copper coins. Although the law makes no provision for silver coins, it was reported from Mukden in December 1932 that the central bank would soon open the Mukden mint for the coinage of subsidiary silver 5-, 10-, and 50-cent pieces, similar in appearance to the Japanese coins.

The regulations governing the readjustment of the old currency provide (art. 9): "Silver bullion (silver ingots and silver yuan included) shall not, because of these regulations, be used as currency for circulation."[43]

A premium on the new Manchurian paper currency was reported in December 1932 by Assistant Trade Commissioner Louis C. Venator at Mukden. He stated:

> The new central bank has restricted the issue almost to the point of scarcity and has undertaken the free sale of silver yen or Chinese exchange at a favorable rate whenever doubt regarding the new currency has appeared in the market.

Silver-yen notes have long been issued in Manchuria. These notes, called by the Chinese yin piao or chao piao, are currency notes issued by the Dairen (Manchuria) branch of the Yokohama Specie Bank. They circulated exclusively in Manchuria.

The notes were first temporarily issued at Newchang in 1900; after the Russo-Japanese War they were issued in redemption of the silver military notes which had been issued in large quantities in Manchuria by the Japanese forces, and they have been issued at Dairen continuously since 1903. In recent years there have been only a limited amount of silver-yen notes in circulation—just below 6,000,000 silver yen of them in 1929.

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[42] The symbol for this yuan is MY, according to an announcement of the central bank effective Nov. 1, 1932.

[43] According to a report to the Finance and Investment Division dated Oct. 24, 1932. See, also, Japan Advertiser of Oct. 26, 1932. A printed pamphlet issued in Mukden in December, however, makes no mention of this article, "The Central Bank of Manchukuo and Laws Relating Thereto with Appendix".

Silver-yen notes are not converted into silver-yen coins, but are in practice converted into exchange on Shanghai (and sometimes other Chinese centers), in taels, at a rate of exchange announced from time to time by the Yokohama Specie Bank. Such rate is usually very close to parity between the old silver-yen coin and the Shanghai tael.

The mechanism for the stabilization of the Manchurian currency in relation to the Shanghai tael is embodied in the following regulations as reported in October 1932.

EXCHANGE RATE BETWEEN THE PAPER CURRENCY AND SILVER BULLION OR FOREIGN SILVER DRAFT NOTES

1. In accordance with article 10 of the currency laws, when paper currency is used for the exchange of silver yuan, the rate given below shall be used for the calculation: Paper currency 100 yuan shall equal 100 yuan silver.
2. In accordance with article 10 of the currency laws, when paper currency is used for the exchange of foreign silver draft notes, the rate given below shall be used for payment of silver draft notes payable at Shanghai: Paper currency 100 yuan shall equal Shanghai taels 71.
3. In accordance with article 11 of the currency law, when silver bullion (silver ingots and silver dollars included) is used to meet payment in paper currency as required by the business at Shanghai of the Central Bank of Manchuria, the rate given below shall be used for calculation in issuing draft notes payable at places where the head and branch office (of the bank) is located: Shanghai taels 73.50 shall equal 100 yuan paper currency.
4. When the head and branch offices of the Central Bank of Manchuria use silver bullion to demand the issuance of paper currency, silver yuan 100 shall be calculated as 100 yuan paper currency; while other silver bullion shall be calculated at the rate given below: Shanghai taels 74 shall be the equivalent of the silver bullion equal to paper currency yuan 100.
5. The rates provided in articles 2, 3, and 4 may be altered by orders of the Government.
6. These regulations shall come into effect from the day of promulgation.

Attitude toward silver.—According to an item published in the Japan Advertiser of October 29, 1932:

Vice Governor Kyoroku Yamanari of the Central Bank of Manchukuo states that there is some discussion in Japan as to the relative merits of the gold standard and the silver standard as the basis for Manchukuo's currency system. For the present he regards the silver standard as best, stating that it was adopted with the understanding that the gold standard would be substituted in the future.

Present employment of silver.—Relatively little silver has been in circulation in Manchuria during recent years. Since the creation of a premium on the new notes (as mentioned above) considerable quantities of Chinese yuan coins have been moving from China to Manchuria, where in great part they find their way to the vaults of the central bank.

CHOSEN

The coinage laws of Japan apply to Chosen.

COLOMBIA

The monetary unit is the peso, divided into 100 centavos. The peso has a par value of approximately $0.9733.

Present legal provisions.—The law governing silver coinage provides [44] for silver coins, 0.900 fine, in denominations of 1 peso and

[44] Fiscal Code, book II, chap. I, arts. 131, 132.

50, 20, and 10 centavos and having a gross weight of 25 grams pe 100 centavos face value. Legal tender is limited to 10 pesos.

Decree No. 1889 of October 23, 1931, authorized the minting o 2,000,000 pesos of silver half-peso coins. Under this decree th Monetary Commission on January 19, 1932, authorized the issuanc of 200,000 50-centavo pieces, to be struck from demonetized silve

The Bank of the Republic has important powers in connectio with the currency. The organic act of the bank (Law No. 25 o 1923, art. 21, par. D) provides that the Government must respect th opinion of the bank's board of directors regarding the issuance o subsidiary coins.

Under the terms of the law regulating the Bank of the Republic a reserve of 40 percent in gold and gold-exchange must normall be maintained against the note issue. Silver is permitted to b held to a limited extent. The Federal Reserve Bulletin of Jul 1932 described the reserve requirements as follows:

> Foreign exchange may consist only of demand deposits. During presen emergency reserve against notes may fall to 30 percent without enforcemen of penalties provided by law. An additional reserve equivalent to 25 percen of deposits must be held in form of legal currency, including gold, silver and other types of money (silver not to exceed one half).

Possibility of increased use of silver without new legislation.— From article 132 of the fiscal code it appears that special legislatio would be necessary for the issuance of additional silver coinage which would be subject as well to the provisions of the organic ac of the Bank of the Republic just referred to.

Attitude toward silver.—In 1932 it was reported that certain Co lombian senators favored the increased use of silver in the form of silver certificates. It is believed however, that the proposal i not viewed with favor by the authorities and that no material in creases in the monetary use of silver is contemplated so long as n extraordinary demand for inflation of the currency arises. Thus referring to the issuance of silver coins and certificates mentione below under "Present employment of silver", the Ninth Annua Report of the Bank of the Republic for 1931–32 stated:

> The serious situation in which the Government found itself on account o the depression led, no doubt, the board (of the bank) to approve this measure which constituted a valuable fiscal expedient under such difficult conditions although it was not without serious objection in relation to the currenc circulation of the country.
>
> As a matter of fact, in my previous report I addressed attention to the ex cessive volume of fractional coinage in relation to the amount of banknote in circulation, comparing it with the policy followed by other countries i this respect; which excess has been aggravated by this new issue and by th continued decline in the volume of notes in circulation.
>
> It is true that the silver certificates issued by the bank as authorized by law 82 of 1931, amounting to $3,050,000 in circulation on June 30, have helped t overcome the difficulty of handling the metal coinage, since they have bee readily accepted by the public in 1- and 5-peso denominations without detri ment to the bank's own notes. But the facility [sic] of circulation accorde to this new medium of exchange may prove an incentive to thoughts of furthe use of silver issues, as fiscal expedients, which in course of time may lea us to a dangerous state of bimetallism, thereby undermining the foundation of our sound monetary system.

Present employment of silver.—In 1931, 2,000,000 pesos of new lver coins were issued.[45] Thereafter, 4,850,000 pesos of silver cer- ficates were put into circulation, but since these were secured com- letely by silver coins withdrawn from circulation, their issuance epresented no increase in the monetary use of silver. On October 1, 1932, money in circulation included 4,600,000 pesos of silver cer- ficates and 6,951,000 pesos of silver coins, or 11,551,000 pesos in all. he relative use of silver and other forms of money may be seen from ne following statement of circulation which applies to June 30, 1932:

	Pesos
Gold coin	6,340,000
Gold bullion	2,443,000
Silver coin and certificates	11,551,000
Nickel coin	2,000,000
Paper money	27,182,000
Total	49,516,000

ince some of the gold is held in the reserves of the Bank of the epublic, the net figure representing total money in circulation ecomes 40,748,000 pesos.

COSTA RICA

The monetary unit is the colon, divided into 100 centimos. The colon has a par value of approximately $0.25.

Present legal provisions.—Under the provisions of a law of July 0, 1923, the 50- and 25-centimo silver coins then in circulation were alled in and restamped. In other words, their face value was oubled to bring them into relation with the new value of the colon, hich in 1922 had been fixed by law at 25 cents United States cur- ency. The following is the text of the above decree and that of anuary 19, 1924:

DECREE NO. 93, OF JULY 10, 1923

Article 1. The Banco Internacional de Costa Rica in accordance with clause *a*) of article 5 of Decree No. 4, of May 17, 1922, shall credit to the account f the Government the sum of 1,472,242 colones, the equivalent of double the ace value of the minted silver which it received from the administration f the revenues for disposal for account of the Government in accordance ith said law.

Article 2. The Banco Internacional shall restamp this minted silver at double s original value, and shall retire from circulation an amount in bills which hall be equal in value to that represented by the silver placed in circulation n accordance with this law.

Article 3. The silver coins of the country at present in circulation shall be eceived in payment of taxes and duties at double their face value until 3 onths after the date of this law, and after this period shall be redeemed or their intrinsic value in relation with bills, computed on an exchange basis f 4 colones to $1, as fixed by the Caja de Conversion.

Article 4. The silver coins received by Government offices in accordance ith the above article may be restamped as before indicated, or exported to e sold, as the needs of circulation may demand.

Article 5. The restamped silver shall be legal currency and shall be received ithout restriction of any nature by the Government in payment of duties and axes, but the public is not obliged to receive it in amounts in excess of 50 olones.

[45] Decree No. 1889, Oct. 23, 1931.

DECREE OF JANUARY 19, 1924

Considering:

1. That law no. 93, of July 10, 1923, provides that the Banco Internacional de Costa Rica shall restamp and place in circulation at double their face value the silver coins of the country which were delivered to it by the Administracion Principal de Rentas;

2. That although the restamping of the 25- and 50-centimo pieces is being accomplished without serious difficulties, the same would not occur with the 5- and 10-centimo coins, owing to their flimsy and worn condition;

3. That a silver coin 0.650 fine and weighing 3.45 grams would be equal to one half of the value of a coin which now circulates with a value of 50 centimos and that, therefore, the minting of such coin would respond to the end pursued by Decree No. 93, and would be the most convenient form of obviating the difficulties in complying with the laws that are presenting themselves, and at the same time would result in providing a public commodity;

It is decreed:

The Banco Internacional de Costa Rica shall proceed to melt all the coin received, and also the defective 25- and 50-centimo pieces and the not restamped silver disks, and to mint with this material 25-centimo coins 0.650 fine and weighing 3.45 grams.

Under a law published in La Gaceta of November 7, 1931, the Banco Internacional de Costa Rica was authorized to issue 1,493,713 colones worth of silver certificates, this being the total value of the restamped coins authorized by the law of 1923. The bank may put in circulation silver certificates to the amount of silver held in its vaults. Their circulation depends upon the currency needs of the moment. By a further provision of the 1931 law, the issuance of 119,013 colones worth of silver coins was authorized, without the necessity of withdrawing from circulation a corresponding amount of silver certificates.

Possibility of increased use of silver without new legislation.—On this point no information, other than that given above, is at hand.

Attitude toward silver.—No measures affecting the monetary use of silver are before the Congress and such legislation is unlikely for the near future. The attitude of the officials in the Banco Internacional is to limit the use of silver to that already outstanding. The exchange value of the colon is maintained by limitation of the circulating medium and it is, therefore, believed by those in authority that the issuance of additional silver currency would be inadvisable.

Present employment of silver.—The circulation of silver on February 22, 1933, was as follows:

	Colones
1 colon	489,924
50 centimos	536,962
25 centimos	466,827
Total	1,493,713

Of these, there were in circulation 929,693 colones, while 564,020 colones were held in the Banco Internacional de Costa Rica.

Of the 1,400,000 colones of silver certificates issued, 835,980 colones were held by the Banco Internacional of Costa Rica and 564,020 were in circulation. It will be noted that the amount of silver certificates in circulation equals the amount of silver coins in the vaults of the Banco Internacional de Costa Rica.

There is no restriction on the movement of silver into or out of the country.

CUBA

The monetary unit is the peso, divided into 100 centavos. The par value of the peso is approximately $1.

Present legal provisions.—Cuba's silver coinage is governed by the w of October 29, 1914. This law provides for 1-peso, and 40-, 20-, nd 10-centavo silver coins, the total issue of which may not exceed 2,000,000 pesos. The fineness of the silver coins is fixed at 0.900, nd their gross weight as follows: 1 peso, 26.7295 grams; 40 centavos,) grams; 20 centavos, 5 grams; and 10 centavos, 2.5 grams.

Silver coins are full legal tender in payments of not more than 10 esos, and legal tender to the extent of 8 percent for payments in xcess of 10 pesos. In November 1932 it was reported that the Gov- rnment was accepting silver coins in the payment of all taxes to the xtent of one third. This was being done as a temporary and unof- cial arrangement to ameliorate the disparity which had developed n the relative values of the paper money (United States currency is he sole paper money in Cuba) and Cuban silver coins.

Possibility of increased use of silver without new legislation.—The present use of silver money cannot be extended without amend- ng the law. The entire $12,000,000 of silver money authorized has een coined and is in circulation.

Attitude toward silver.—On May 8 the President was reported as ecommending a bill which would permit the coinage of an addi- ional 6,000,000 pesos in silver, and the issuance thereagainst of an qual amount of silver certificates. The press reported such a bill ould be readily passed.

Present employment of silver.—In April 1932 the Government alled for bids for the minting of 3,550,000 silver pesos and 36,860 esos of 25-centavo silver coins. With the completion of that pro- ram, Cuban silver coinage is at present outstanding to the full xtent of the 12,000,000-peso limit set by law.

The disparity between Cuban silver coins and the paper money n circulation was explained by the fear that the Government might esort to inflation, and also by the fact that Cuba's position on nternational account had tended to draw out of Cuba large sums of aper money, thus making the silver currency in circulation rela- ively redundant. The silver money first went to a discount early n 1932. The maximum discount was about 5 percent. In Novem- er 1932 the discount was reported as fluctuating between 1¾ and 2½ percent.

CYPRUS

The monetary unit is the British sovereign, divided into 180 piasters. The sovereign is worth approximately $4.8666.

Present legal provisions.—Silver coinage in Cyprus is governed by the Cyprus coinage order of 1900, as published in the Cyprus Gazette of February 6, 1901. It went into effect January 1, 1901.

The order provides for silver coins, 0.925 fine, of four denomina- tions: 18, 9, 4½, and 3 piasters, having gross weights of 174.54, 87.27, 43.63, and 29.09 grains, respectively. These coins are legal tender up to 540 piasters. (In addition to the coins mentioned, commemo- rative 45-piaster silver pieces were issued in 1927.)

The currency order empowers the High Commissioner to procure, by proclamation, the issuance at any time of coins of a value not

exceeding 45 piasters, whether of silver or other metal or metals. British silver coins are not legal tender in Cyprus.

Possibility of increased use of silver without new legislation.—In view of the powers given to the High Commissioner by the currency order of 1900, it would be possible to increase the silver coinage at any time upon publication of a proclamation.

Attitude toward silver.—No legislation is contemplated which would affect the monetary use of silver in Cyprus, and the Government does not take any special attitude toward the employment of silver, as opposed to that of gold, in the currency system, beyond fixing a limit of legal tender.

Present employment of silver.—The position of silver in the monetary system of Cyprus is shown by the following statement of the estimated circulation in Cyprus of sovereigns and Cyprus currency, which applies to the end of 1931:

Gold [46]	£60,000
Silver	147,500
Government notes	426,207
Total	633,707

CZECHOSLOVAKIA

The monetary unit is the koruna (crown) of 100 hellers. The par value of the koruna is approximately $0.0296.

Present legal provisions.—The law of June 9, 1932, effective June 27, lists three silver coins: The 5-, 10-, and 20-koruna pieces. Only the first two mentioned are as yet in circulation. The 5-koruna coins are 0.500 fine and the 10-koruna coins, 0.700 fine. Their respective gross weights are 7 and 10 grams. The issue of subsidiary coin of all kinds (silver and other metals) is limited to a maximum of 1,200,000,000 koruny. The issue must conform to actual requirements. To this end the treasury must keep all forms of money readily interchangeable, redeeming the fractional money in other forms of currency whenever the national bank finds itself holding over 10 percent of the outstanding issue of any given denomination of coin for a period of 6 months.

Possibility of increased use of silver without new legislation.—It is intended to replace gradually with silver coin the 10- and 20-koruna notes of the National Bank outstanding (Nov. 1, 1932) in the total amount of over 542,400,000 koruny. Apart from this, it is estimated that about 140,000,000 koruny of silver coins might be issued within the maximum of 1,200,000,000 koruny fixed by law. The replacement of the small bank notes would require about 8,690,000 fine ounces of silver and the remaining 140,000,000 koruny—if issued two thirds in the form of 10-koruna pieces and one third in the form of 20-koruna pieces—would require about 2,520,000 fine ounces, making possible the total additional consumption about 11,210,000 fine ounces.

Attitude toward silver.—Inasmuch as the 1932 law entails expansion of the monetary use of silver, it is believed unlikely that there will be any further increase in the near future. The general attitude

[46] This estimate is purely nominal.

ns to be against any further increase in the use of silver, particu-
y such as would involve any sort of remonetization.
resent employment of silver.—At the end of 1931 the National
k of Czechoslovakia held 1,407 koruny in silver coin and 6,444,-
koruny in silver bullion, its note circulation on that date being
roximately 7,679,000,000 koruny.

DANZIG, FREE CITY OF

The monetary unit is the gulden, divided into 100 pfennige.
The gulden has a par value of approximately $0.1947.

resent legal provisions.—The gulden, equal to one twenty-fifth
he pound sterling, was made Danzig's monetary unit by the law
October 20, 1923. The coinage law of November 20, 1923, estab-
ed four silver coins, which have since been demonetized. The
er coins were made legal tender to not over 60 gulden.
he old silver coins of Danzig, namely, the ½-, 1-, 2-, and 5-gulden
es, all 0.750 fine, were demonetized in March 1932, and on June
1932, they ceased to be accepted by the Government offices. Com-
ncing in January 1932 new coins were put into circulation to
ace those withdrawn. Of the new coins, only two are silver,
denominations being 2- and 5-gulden, weighing 10 and 15 grams
ss, respectively. Both are 0.500 fine. The total issue of frac-
al coins is limited to 10,000,000 gulden, of which 2,500,000
den may be 2-gulden silver coins and 4,300,000 5-gulden silver
s.
ossibility of increased use of silver without new legislation.—
ce the maximum circulation of silver coins has been fixed, issu-
of silver beyond the limits mentioned would require special
slation.
ttitude toward silver.—Recent changes in the coinage law in-
te that the Government is content to limit the use of silver to
nd 5-gulden coins.
resent employment of silver.—The limits of silver coinage are
forth under "Present legal provisions" above. At the end of
1 the stock of silver coin was reported as 10,000,000 gulden, of
ch 3,730,917 gulden were held by the Bank of Danzig and the
were in circulation.
anzig's new coins are manufactured by the Prussian State
t.

DENMARK

The monetary unit is the krone (crown), divided into 100 öre.
The par value of the krone is approximately $0.268.

Present legal provisions.—The existing Danish currency law of
ruary 15, 1924, makes no provision for the monetary use of
er.
Possibility of increased use of silver without new legislation.—
view of the above, silver money could not be issued without spe-
l legislation.
Attitude toward silver.—There is no sentiment in favor of the
ployment of silver currency in Denmark. It is held that the
sting coinage satisfies the public's requirements just as well as

silver would, and there is, therefore, no justification in minting o using silver.

Present employment of silver.—The Bank of Denmark's holding of silver totaled 5,710,000 kroner at the end of 1931, compared wit gold holdings of 144,268,000 kroner and a note issue of 346,489,00 kroner.

DOMINICAN REPUBLIC

The monetary unit is the United States dollar.

Present legal provisions.—The United States gold dollar wa adopted as the standard of value in 1897. A decree of June 2, 190 made United States currency legal tender in the Dominican Repub lic, in the proportion of 70 parts gold and 30 parts silver. Dom inican silver coins were made equivalent to American, at the rati of 100 centavos equals 20 cents. The "30 parts silver" may be mad up of nickel and copper to the extent of one sixth.

American paper currency of all kinds, silver certificates include is accepted in any amount for payments to the Government or ind viduals.

Movements of silver are unrestricted.

Present employment of silver.—No Dominican silver has bee coined for many years, possibly not since 1897.

Along the border of Haiti, coins and notes of that country circu late in the Dominican Republic.

There are no available statistics that show the extent of the us of silver. At the end of 1929 Dominican banks held $182,738 i "American silver", $101,159 in "Dominican silver", $129,260 i American gold, and $1,419,210 in American notes. It is assume that the two items of "silver" really include minor coin as wel The Bureau of the Mint reports that, at the end of 1931, banks an the Dominican Republic Treasury held silver to a face value o $282,000 United States currency.

ECUADOR

The monetary unit is the sucre, divided into 100 centavos. The sucre has a par value of approximately $0.20.

Present legal provisions.—The monetary law of March 4, 192 provides for silver coins as follows:[47]

Denomination	Fineness	Gross weigh in gra
2 sucres	0.720	1
1 sucre	.720	
½ sucre	.720	

By the terms of article 19 of the 1927 law, the central bank w authorized to apply to the Minister of Finance whenever it co sidered new issues of silver money advisable, and the Minister

[47] For the text of the law, see Annual Report of the Director of the U.S. Mint, 19 pp. 140–141. This law was affirmed on Oct. 29, 1928, by the Constitutional Governme and published June 15, 1932, in the Registro Oficial.

Finance was authorized to contract for the coinage of silver money as deemed by him to be necessary. Since March 19, 1928, such contracts must have the express authorization of the legislature, if by their execution the amount of silver and minor coins held by the Minister of Finance shall be caused to exceed 500,000 sucres.

Silver coins are full legal tender for all payments to the Government but only to the amount of 10 sucres for private payments. Old issues of silver coins continue to be legal tender at their face value to the amount of 10 sucres.

The 1927 law repealed all earlier currency laws.

On May 23, 1930, the Registro Oficial carried the text of a presidential decree of May 17, reading in part as follows:

Considering that the constantly increasing retirement of the 1- and 2-sucre notes of the former banks of issue is causing a growing shortage of subsidiary currency which is prejudicial to commercial transactions, as shown by reports from banks and treasurer's offices received by the treasury administration; that the quantities which the supreme decree of September 5, 1927, provided * * * were not all coined, and there is consequently still a balance to be minted; (the President) decrees:

ARTICLE 1. The Central Bank of Ecuador, as agent of the Government, shall cause to be minted the rest of the silver ordered in the supreme decree of September 5, 1927, making a contract for this purpose with the * * * Philadelphia Mint * * * for the coinage of additional amounts not in excess of the uncoined balances, namely:

	Sucres
100,000 2-sucre pieces	200,000
400,000 1-sucre pieces	400,000
155,000 ½-sucre pieces	77,537
Total, 655,060 pieces	677,530

ART. 2. For the additional coinage mentioned, the Central Bank shall use the 73,485.14 ounces of silver deposited in the Philadelphia Mint, and also any part necessary of the sum of 20,932 sucres and 90 centavos authorized, which the bank is holding for the Government's account and which it shall send to the Philadelphia Mint.

ART. 3. In regard to weight, fineness, diameter, thickness, and other specifications, the coins shall be minted in absolute conformity with the provisions of the supreme decree of September 5, 1927 * * *.

ART. 4. The Government shall deposit and keep the new coins in the custody of the Central Bank until the needs of commerce require that they be put in circulation.

* * * * * * *

ART. 7. Executive Decree No. 90, issued April 28 last, dealing with the same matter, is amended to this effect.

There are no restrictions on the movement of silver into or out of the country.

Possibility of increased use of silver without new legislation.—From the above, it appears that the issuance of silver beyond the limits therein stated would require new legislation.

Attitude toward silver.—No report has been received to indicate any prospective legislation affecting the monetary use of silver in Ecuador.

Present employment of silver.—Some old silver coins issued under the law of November 4, 1898, are in circulation and are legal tender according to the 1927 law, but they are seldom seen. Old coins are retired as received by the Government.

The monetary stock at the end of 1929 was 34,700,000 sucres, of which new silver coin accounted for 4,253,000 sucres. The United

States Bureau of the Mint reported that, at the end of 1931, Ecu dor's stock of silver and minor coin totaled 7,830,855 sucres. which 4,561,624 sucres were in circulation, and the remainder he in banks and the treasury. According to data supplied by the d rector of the treasury, the silver coinage in circulation on Decemb 31, 1932, amounted to 5,177,530 sucres. As the Government's figur include all silver coins outstanding, the amount is slightly high than that shown in the central bank's statement for all coins in ci culation (5,011,520 sucres), which includes only those estimated be in actual circulation.

EGYPT

The monetary unit is the Egyptian pound, divided into 100 piasters. The par value of the Egyptian pound is approximately $4.9431.

Present legal provision.—The laws governing the monetary use silver are: The decree of November 14, 1885; and Law No. 25 1916.

The 1885 decree limited the issuance of silver to 40 piasters p capita. It provided for seven denominations of silver coins, 0.833 fine, giving to the finance minister the authority to fix the quantiti of each category of coin issued within the 40-piaster per capi limit. The legal tender of silver money was limited to 200 piaster

The 1916 law made certain changes. It reduced the list of silv coins to four: The 20-, 10-, 5-, and 2-piaster pieces. It made th pound sterling legal tender in Egypt at a rate to be fixed by th finance minister, and in a separate article, authorized the latt to admit to circulation foreign moneys and fix their legal tender.

Possibility of increased use of silver without new legislation.— Without new legislation the circulation of silver could not be m terially increased. The 40-piaster per capita limit, with Egypt present population of about 15,000,000, would permit a silver ci culation of 6,000,000 Egyptian pounds. The figures cited belo indicate no room for expansion within this limit.

Attitude toward silver.—No legislation is contemplated, whic would effect the monetary use of silver in Egypt. The Gover ment's attitude toward silver is one of indifference. Since the cu rency unit is linked to the pound sterling, it is unlikely that a change would be made in the coinage without the advice of th British Government.

Present employment of silver.—Silver coins outstanding on D cember 31, 1932, totaled 4,158,000 Egyptian pounds. The nation treasury held 2,000,000 Egyptian pounds additional, for use in mee ing seasonal demands for small money. The corresponding figur for other forms of money outstanding were: Paper currenc 18,802,000 pounds; nickel coin, 792,000 pounds; bronze coin, 37,0 pounds.

(Egyptian currency circulates in the Anglo-Egyptian Suda which see.)

ERITREA

The monetary unit is the Italian lira, divided into 100 centesimi. The par value of the lira is approximately $0.0526.

By royal decree of June 18, 1925, the Italian lira is the only leg tender in Eritrea. Special silver coins for the colony were esta

lished, namely, the 10-lira piece weighing 12 grams, and the 5-lira piece weighing 6 grams; both coins 0.835 fine. The rupia, a silver coin, is stabilized in value at 8 lire.

In 1918 the Italian mint struck a special silver Eritrean dollar (tallero d'Italia) weighing 28.0668 grams, 0.835 fine.

ESTONIA

The monetary unit is the kroon [crown], divided into 100 senti. The par value of the kroon is approximately $0.2680.

Present legal provisions.—The monetary law of May 3, 1927, which became effective at the beginning of 1928, authorized 1-kroon and 2-kroon subsidiary silver coins at least 0.500 fine, to be legal tender up to 50 krooni.

Under the present currency law, the total of 1- to 50-centi coins must not exceed 3 kroons per capita, and that of 1- and 2-kroon pieces must not exceed 6 kroons per capita. For this purpose the population as determined in 1922 is used, namely, 1,107,059.

Possibility of increased use of silver without new legislation.—No increase in the monetary use of silver without new legislation seems likely in view of what follows below. It is stated, however, that approximately 200,000 special 1-kroon silver coins will be struck in 1933 to commemorate the Tenth Estonian National Singing Festival. Silver for these 1-kroon coins will be obtained from the surplus left in the treasury from the minting of the 2-kroon pieces in 1930. The remainder of the 1-kroon issue will very likely be minted of aluminum and bronze.

Attitude toward silver.—Owing to the fact that the 2-kroon piece has been readily counterfeited, the Government recently initiated steps to amend the currency law so as to allow the replacement of the present silver coins with pieces of baser metal. It is proposed to authorize the minting of 1- and 2-kroon coins "of silver of a fineness of at least five hundred thousandths, or else of some other metal." The Government in 1932 requested the Bank of Estonia to secure the League of Nation's approval of the proposed amendment. Such approval was received late in December, although the league pointed out that Estonia was under no obligation to seek such approval.

On March 2, 1933, the finance committee of the Riigikogu (State Assembly) approved the above proposal, and ratification by the assembly in plenary session was expected to follow very shortly.

It was stated by the Ministry of Economic Affairs in March 1933, that the 2-kroon silver pieces of the 1930 issue now in circulation will not be withdrawn under the amended currency law, but will continue to remain legal tender currency.

Present employment of silver.—The 2-kroon piece, 0.500 fine, is the only silver coin in circulation. On May 1, 1932, there were in circulation 2,018,368 krooni in silver. This represents approximately 195,000 fine ounces of silver.

The proposed change in the currency law would affect paragraphs 4, 5, and 8, of the 1927 law. It would give the treasury the right to decide whether to use silver, and, if so, what coins to mint of silver.

ETHIOPIA

The monetary unit is the Maria Theresa dollar, with various fractional parts as described below. The Maria Theresa dollar, being silver, has no fixed par value in terms of gold.

Present legal provisions.—There appears to be no formal monetary law. Currency is issued according to the decision of the Government. In March 1931 the Government levied an excise tax on certain articles, both imported and domestic, with the object of raising funds to take over the Bank of Abyssinia and establish a gold-standard currency known as the Ethiopian gold pound. The unit was to have the same par value as the pound sterling, and to be divided into 10 silver dollars, in turn divided into 20 besas. The bank was taken over by the Government in October 1931 but whether any other progress has been made in issuing the new currency is not known.

The principal medium of exchange is the Maria Theresa silver dollar, a silver trade coin which is minted in Vienna and circulates in various places in the Arabian peninsula and northern Africa.[48] The Maria Theresa dollar weighs 28.0668 grams 0.833⅓ fine. It is the only currency generally accepted throughout Ethiopia.

According to reports from Minister Resident Addison B. Southard, Addis Ababa, dated February 7, 1931, and January 24, 1933, the fractional silver coins in circulation include half and quarter dollars and the $\frac{1}{16}$-dollar coin called timoon, guerche, or mehalek. According to the Bureau of the Mint, however, the coin is equal to one twentieth of a Maria Theresa dollar.[49] The mint lists also the now rarely seen Menelik dollar, issued in 1897, and gives the following details of the silver coinage:

Denomination	Fineness	Gross weight in grams
Maria Theresa dollar (thaler)	0.833⅓	28.066
Menelik dollar (thaler)	.835	28.075
Half [menelik] dollar (alad)	.835	14.037
Quarter [menelik] dollar (roul)	.835	7.018
Twentieth [menelik] dollar (timoon or piaster)	.835	1.403

Possibility of increased use of silver without new legislation.—The Emperor has the power to order changes in the currency system at will.

Attitude toward silver.—Paper notes in the values of 5, 10, 50, 100, 500, and 1,000 Maria Theresa dollars, are issued by the Bank of Ethiopia, secured by reserve of silver dollars to the full value of notes outstanding. These paper notes are fairly well accepted in the main towns, but are usually avoided by the peasants and less literate masses of the population, who prefer the hard metal coin.

According to American Minister Southard, in his report of January 24, 1933, the Financial Adviser's program of currency reform

[48] The Maria Theresa dollars all bear the date 1780, regardless of the date of issuance.
[49] See Monetary Units and Coinage Systems of the Principal Countries of the World, 1929, p. 19. Tate's Modern Cambist states that the timoon is nominally worth one twentieth of a dollar, but actually circulates at a higher value.

contemplates first the establishment of a decimal system of fractional coins to take the place of the present fractional units. He has proposed the minting and circulation of nickel coins in the values of one twentieth, one tenth, one fifth, and one half of a silver dollar. This project has been approved and the Government has purchased in London £50,000 worth of nickel sheets from which the coins are to be locally stamped, and the first shipment of this nickel is reported en route. He anticipates that the new nickel coins will be ready to put into circulation before summer. With that end in view the Government has begun to retire the present fractional coins.

Other items in the Financial Adviser's program for Ethiopian currency reform include paper notes of $1 and $2, and an eventual gold reserve upon which to base a national gold-standard currency. These two items have been approved by the Emperor in theory, but not yet in fact. There is some doubt as to whether the peasants will accept $1 and $2 paper notes in place of the Maria Theresa dollar coins, for they are not accustomed to paper money. The gold standard move must await the accumulation of gold reserves, an accumulation which may require several years.

Present employment of silver.—Merchants consulted in 1931 estimated silver and other metal currency in circulation as between 27,000,000 and 40,000,000 Maria Theresa dollars. A report to the United States Bureau of the Mint gave the silver stock at the end of 1931 as follows: In treasury, 6,000,000 Maria Theresa dollars; in banks, 4,000,000; in circulation, 35,000,000; total, 45,000,000. Notes of the Bank of Abyssinia in circulation at that date amounted to about 1,740,000 Maria Theresa dollars. Foreign money in circulation was negligible in quantity.

While there is no currency law and hence no legal-tender limit, in practice the subsidiary coins are not accepted in amounts exceeding $10.

The Ethiopian Government has no formal or fixed policy as regards the restriction of the importation and exportation of gold and silver. As gold is subject to an export tax it must be declared at the customs when shipped. The Ethiopian Government occasionally restricts the importation or exportation of Maria Theresa dollars for short periods, usually for the purpose of influencing exchange when it has foreign remittances to make or receive, but no printed decrees or laws are made available. Often the restriction is accomplished by oral instruction of the Emperor to the officials immediately concerned. At present both imports and exports of Maria Theresa dollars are prohibited.

Maria Theresa dollars struck by the Vienna Mint in 1931 totaled 1,266,600.

FALKLAND ISLANDS

The monetary unit is the pound sterling, divided into 20 shillings of 12 pence each. The pound sterling has a par value of approximately $4.8666.

Present legal provisions.—British currency is used in the Falkland Islands. (See United Kingdom.)

FIJI ISLANDS

The monetary unit is the pound sterling, divided into 20 shillings of 12 pence each. The par value of the pound sterling is approximately $4.8666.

Present legal provisions.—Fiji's currency is regulated by Fij Ordinance No. 9 of 1913, as amended by Ordinance No. 2 of 1917 No. 19 of 1918, No. 23 of 1920, No. 9 of 1921, and No. 1 of 1922.

Both British and Australian silver coins circulate in the Fij Islands.

Proclamation no. 9, of February 25, 1931, prohibited the importa tion of silver coin in amounts exceeding £2, except under license Under present regulations the exportation of gold or silver coins o bullion is controlled by the Government of Fiji, and can be don only under license issued by the Governor. The importation o foreign subsidiary coins is permitted.

Possibility of increased use of silver without new legislation.— Silver coins are constantly brought in by travelers, and are periodi cally exported.

Attitude toward silver.—The natives and resident British Indian seem to prefer silver to paper money. The half-crown piece is no popular and is not in general circulation.

Present employment of silver.—In 1930 silver coin in the island was estimated at £76,469, of which about £51,469 was held in th banks.

FINLAND

The monetary unit is the markka, divided into 100 pennia. The markka has a par value of approximately $0.0252.

Present legal provisions.—The present monetary law, which date from December 21, 1925, makes no provision for silver coinage.

Possibility of increased use of silver without new legislation.— None.

Attitude toward silver.—When the Finnish Republic came into be ing in 1919 the Bank of Finland had on hand silver coins to th amount of 535,600 finnmarks and silver bullion valued at 25,00 finnmarks. That silver has since been sold to silversmiths within th country, sales having been completed in 1926. Even when the law permitted the circulation of silver, that is from 1919 to 1925,[50] non was circulated by the Government. There is, therefore, no indica tion that the Government is inclined to use silver for monetary pur poses, and no legislation to that end is contemplated. The authori ties are said to consider that there is no need for the employment o silver and that the use of silver would involve an unnecessary expense.

Present employment of silver.—The Bank of Finland at the en of 1931 held silver to a total of 44,300,000 finnmarks.

FRANCE

The monetary unit is the French franc, divided into 100 centimes. The franc has a par value of approximately $0.0392.

Present legal provisions.—Article 7 of the French monetary o stabilization law of June 25, 1928, provided the following:

[50] During this period the coinage was regulated by laws of Aug. 9, 1877, of the Gran Duchy of Finland.

In replacement of the Bank of France notes of 5, 10, and 20 francs, which will be withdrawn from circulation before December 31, 1932, the date from which they will cease to have legal tender, there will be fabricated at the administration of the mint, for the account of the state, silver pieces having a nominal value of 10 and of 20 francs, of a fineness of 0.680 for an amount the total of which cannot exceed 3,000,000,000 francs. The weight of the silver money is fixed as follows: 10 grams per 10-franc piece; 20 grams per 20-franc piece.

Article 10 of the appropriations law promulgated December 31, 1932, prolonged until the end of 1933 the date for the completion of the program set forth above.

According to the monetary law of June 24, 1928, the old French silver coins were demonetized. The silver coins mentioned in the present law are to be legal tender up to 250 francs. The gross weight of the coins to be issued is 20 grams for the 20-franc piece and 10 grams for the 10-franc piece.

Possibility of increased use of silver without new legislation.—Under the existing law 3,000,000,000 francs in silver were on March 27, 1933, issuable without further legislation.

Attitude toward silver.—Over 1,225,300,000 francs of 10-franc silver pieces and 64,680,000 francs of 20-franc silver pieces had been minted by December 15, 1932, both being put into circulation commencing March 27, 1933. There was considerable demand that the Government mint 5-franc silver coins, but early in February 1933 it was decided to issue nickel 5-franc pieces, rather than silver (art. 68 of the March "provisional twelfth" law).

A bill known as Chamber Document No. 991 and dated December 6, 1932, was introduced to authorize the striking of 5-franc silver pieces and for other purposes. Although the bill failed to pass in its original form, but was enacted in amended form on December 31, 1932 (as referred to above), the exposé des motifs which accompanied it is of interest in connection with the official attitude toward silver. The exposé referred to the desire for clean and durable money (instead of the small notes at present circulating) and, in asking for the postponement of the date for compliance with the 1928 law (i.e., the provision cited above), the Government envisaged placing the coins in circulation prior to the date fixed for total withdrawal of the small paper notes. This operation, it was stated, would improve the situation of the Bank of France.

In urging the striking of a 5-franc coin of silver, the exposé recommended it as a means of avoiding rising prices because of the absence of a coin smaller than the 10-franc piece and larger than the 2-franc piece. The exposé referred to doubts concerning the opportunity of creating a nickel piece, adding that "only the striking of 5-franc silver pieces will effect the complete utilization of the silver stock held by the treasury which permits the issuance of 3,000,000,000 francs of silver money. It goes without saying, in fact, that for the total of 20-, 10-, and 5-franc pieces, we would not exceed the limit of 3,000,000,000 provided by the law of 1928 and established in relation to the amount of the circulation of small paper notes. In the event of the adoption of a 5-franc nickel piece, a part of the silver stock of the treasury would remain without employment and could not therefore be sold without a very appreciable loss."

The attitude of those who favored nickel was set forth by M. de Ramel, a member of the finance committee, in l'Information of

March 3, 1933. His contention was that the issuance of nickel coi is more profitable to the state.

Present employment of silver.—French holdings of silver at th end of 1931 and 1932 were approximately as shown in the followin table, the holdings of the Bank of France being in new coin minte in accordance with the 1928 law:

Item [1]	End of—	
	1931	1932
	Ounces	*Ounces*
Held by Bank of France on own account	20,623,066	29,553,9
Held by Bank of France on government account	14,112,119	5,193,9
Held by government on own account	32,903,944	31,416,5
Total held on government account	47,016,143	36,610,5
Total held on Bank of France account	20,623,066	29,553,9
Grand total	67,639,209	66,164,4

[1] As used herein, the word "government" means the Administration of Coins and Medals.

FRENCH COLONIES

The French coinage system applies to Algeria, Morocco, Tunisi French West Africa, French Equatorial Africa, and the islands o Reunion and Comoro, in Africa; to French Guiana and the Frenc West Indies (St. Pierre and Miquelon, Martinique, and Guad loupe) in America; and to the French Establishments of Oceani

FRENCH GUIANA

The monetary unit is the French franc, divided into 100 centimes. The franc has a par value of approximately $0.0392. (See France.)

Present legal provisions.—The French monetary law of June 2 1928, applies to French Guiana.

Possibility of increased use of silver without new legislation.—See France.

Attitude toward silver.—See France.

Present employment of silver.—No silver is in circulation. Th United States Bureau of the Mint, however, reports that at the en of 1930, the banks and the treasury held silver to a value of $194,00 United States currency.

FRENCH INDO-CHINA

The monetary unit is the piaster, divided into 100 cents. The piaster has a par value of 10 French francs, or $0.392.

Present legal provisions.—According to a decree of July 8, 189 which slightly reduced the weight of the piaster to 27 grams, fra tional coins of proportional weights were issued. These coins we all 0.900 fine. On April 14, 1898, the fineness of the silver ⅕-piast and $\frac{1}{10}$-piaster coins was lowered from 0.900 to 0.835 and, on Ju 9, 1921, to 0.680. In this form these two fractional coins are sti in circulation. A decree of August 12, 1930, states that these coi shall continue to be legal tender as determined by the earlier law but that their fineness, weight, tolerance, and diameter may b modified by the Governor General in council.

According to a decree of May 31, 1930, published in the French Journal Official of June 1, 1930, the piaster has been placed on the franc-exchange basis,[51] but the 1-piaster silver coins retain their unlimited legal-tender quality. A decree of August 12, 1930, published August 18, fixes the fineness of the silver piaster at 0.900 and its weight at 20 grams.

At the end of December 1931, the old 27-gram piaster silver pieces were demonetized, and any of them acquired by the Banque de l'Indo-Chine since then have been paid for at their value as bullion. The only silver now enjoying legal tender is the new piaster coin.

Possibility of increased use of silver without new legislation.—The number of silver coins in circulation could be increased without new legislation.

Attitude toward silver.—The Government shows no inclination to put more silver into circulation. It is held that the inhabitants of French Indo-China in general prefer paper to silver money, although silver bullion is imported for use in making ornaments, etc. Some of the bullion is hoarded.

Present employment of silver.—In February 1933 it was reported that there were 3,957,000 of the new piaster coins in circulation. The Colony's total stock of the new coins was about 16,000,000 piasters, the difference between that figure and the 3,957,000 in circulation in February 1932 represents coins in the vaults of the Banque de l'Indo-Chine. New piasters struck by the French Mint during 1931 totaled 13,288,273. No information is on hand as to the circulation of fractional silver coins, the last of which were struck in Paris in 1930, namely, 5,576,331 twenty-cent pieces and 6,607,520 ten-cent pieces. The corresponding figures for 1929 were 643,750 and 5,830,820; and for 1928, 794,289 and 1,592,863.

The figure of 3,957,000 piasters mentioned above compared with approximately 1,500,000 in the fall of 1932. The increase in circulation is due to the demand from the Province of Laos, where the natives do not trust banks and bury their money in the ground in bamboo boxes. It is principally for the latter purpose that they demand silver. They used to bury the bank notes in the same way, but often found them partly eaten up by ants and other insects, and if the numbers were not legible, the notes could not be redeemed.

The 16,000,000 piasters held in Indo-China represents all of the new piaster coins struck in Paris. The coins were sent to Indo-China in May 1932.

From the beginning of 1929 to the end of 1932 French Indo-China is estimated to have sold 48,000,000 fine ounces of demonetized silver.

FRENCH OCEANIA

SOCIETY, MARQUESAS, AND OTHER ISLANDS

The monetary unit is the French franc, divided into 100 centimes. The franc has a par value of approximately $0.0392.

Present legal provisions.—The French coinage system applies to French Oceania.

[51] De facto stabilization was accomplished at the end of 1929.

FRENCH SOMALILAND

The monetary unit is the French franc, divided into 100 centimes. The franc has a par value of approximately $0.0392. (See France.)

FRENCH WEST AFRICA AND FRENCH EQUATORIAL AFRICA

The monetary unit is the French franc, divided into 100 centimes. The franc has a par value of approximately $0.0392.

Present legal provisions.—By decrees of the governors of the two colonies, dated June 26, 1928, the currency system of France is in effect in these territories. The law contains no provision for the circulation of silver. (See France.)

There is no restriction on the importation of gold or silver coin or bullion.

Attitude toward silver.—See France.

Present employment of silver.—No silver is in circulation. Formerly, Maria Theresa dollars and Belgian coins circulated in the northern part of French Equatorial Africa but they were fast disappearing, according to a report in 1930.

FRENCH WEST INDIES (GUADELOUPE AND MARTINIQUE)

The monetary unit is the French franc, divided into 100 centimes. The franc has a par value of approximately $0.0392.

Present legal provisions.—The French monetary law of June 25, 1928, governs the currency of the French West Indies.

Possibility of increased use of silver without new legislation.—See France.

Attitude toward silver.—According to a 1930 consular report, the use of silver or gold is not contemplated in the French West Indies. (See France.)

Present employment of silver.—No silver coins are in circulation in the French West Indies.

GERMANY

The monetary unit is the reichsmark, divided into 100 reichspfennige. The reichsmark has a par value of approximately $0.2382.

Present legal provisions.—German coinage is governed by the law of August 30, 1920, as amended to date. Silver coinage is limited to 30 reichsmarks per capita, or a maximum of about 1,800,000,000 reichsmarks, the limit having been raised from 20 reichsmarks in July 1931. The coins, 0.500 fine, are issued in denominations of 1, 2, 3, and 5 reichsmarks and are legal tender in payments not exceeding 20 reichsmarks. These coins weigh, respectively, 5, 10, 15, and 25 grams.

Possibility of increased use of silver without new legislation.—An appreciable increase in the monetary use of silver by Germany is not possible without new legislation.

Attitude toward silver.—While there is no inclination in Germany to use silver as a standard of value, not even in conjunction with

gold, in the last 2 years the law has been amended to permit the increased use of silver for subsidiary purposes. This measure is justified in part by the relief it has afforded to the Reichsbank's reserve ratio, and in part by the revenues which come to the Government in the form of seigniorage on the coinage. Unlike the Reichsbank's note issue, which must be secured by reserves of gold and foreign exchange, the Government-issued coinage requires no reserve.

Present employment of silver.—Under the 1931 law extending the per capita circulation of silver to 30 reichsmarks, a total of about 1,800,000,000 reichsmarks in silver may be issued.[52] The reported circulation as of October 31, 1932, was 1,676,000,000, leaving only about 124,000,000 reichsmarks as issuable. That these coins will be put in circulation is now regarded as unlikely, for the reason that the public has objected to the too-plentiful supply of 5-mark coins and the withdrawal from circulation of the small-denomination paper money. Because of that objection the Government is reported to be considering the substitution of a smaller silver coin for the 5-mark piece. At the same time it is preparing for the substitution of nickel coins for the present small-denomination silver coins.

The following figures apply to silver coins in monetary use:

End of—	*Millions of reichsmarks*
1924	262.3
1928	872.9
1929	915.5
1930	964.9
1931	1,371.6
1932 (October)	1,676.0

Of the total stock of money, coins (of all metals) comprised 14 percent at the end of 1929 and 24 percent at the end of June 1932.

The budget showed profits derived from silver coinage as 415,000,000 reichsmarks in the year ended March 31, 1932.

According to a report dated January 30, 1933, the German Government holds only negligible amounts of silver at the mints. Silver coin held by the Reichsbank usually varies from about 200,000,000 reichsmarks at the beginning of the month to 350,000,000 at the end.

According to the American consulate at Berlin (June 7, 1932):

> After the war, when the paper mark began to depreciate in value, silver coins were hoarded and bought up privately. The silver thus acquired was consumed in industry and otherwise, a relatively small amount coming into the Government coffers. The Government still buys demonetized coins of that period as bullion, but the amount is negligible. It is stated that none of the silver derived from demonetized coins or from present standard coins retired from circulation has been sold by the Government, inasmuch as the metal has been continuously consumed by the Government. The silver coins shown as exports in the German trade statistics represent mintings for Danzig and coins collected in local trade across the border. Silver coins then in circulation represented over 116,600,000 fine ounces.

The most recent development affecting German coinage was an amendment to the currency law of August 30, 1924. The amendment, which was published March 22, 1933, adds to the list of coins which may be minted of base metals, the 1-mark piece. This is in keeping with the intention of the Government, referred to briefly above, to withdraw the approximately 256,200,000 silver 1-mark pieces outstanding. These silver coins represented about 20,600,000

[52] The population of the Saar region is omitted from this calculation.

fine ounces of the metal. Reporting on this subject, Consul Sydney B. Redecker wrote from Hamburg on March 15 that a plan under advisement called for the complete withdrawal of the existing 5-mark silver pieces and their replacement by new 5-mark pieces the size of the present 3-mark coins; the withdrawal of the current 3-mark silver pieces; changes in the 2-mark silver pieces; and the replacement of the 1-mark silver coins by nickel coins of the same denomination. The change would make available for sale by the Reichsbank a total of 1,300,000 kilograms of fine silver, produced by the melting down of 3-mark and other pieces, and a demand for 1,700,000 kilograms of nickel for the issuance of the new 1-mark coins. The consul further stated:

> The size and weight of the 5-mark pieces are causes of great inconvenience to the public and it seems certain that the Government will take cognizance of the public's dissatisfaction by withdrawing these coins and issuing other more convenient coins in lieu thereof. Various criticisms have been made regarding the harmful effects which it was feared would be caused by reducing the size of 5-mark coins to that of the present 3-mark pieces, but, it is pointed out in this connection, the smaller 5-mark coins will have the same silver content as the existing 5-mark pieces, which are only 0.500 fine. Thus, the silver content of the new and smaller piece would be increased to 0.620.
>
> The huge amount of coin now in circulation in Germany is evident from the fact that the total issued by the Reichsbank represents, nominally, almost half as much as the note issue. Of the total coins in circulation at the end of January (after deducting stocks held by the Reichsbank), 789,900,000 comprise 5-mark silver pieces; 269,600,000, 3-mark silver pieces; 213,600,000, 2-mark silver pieces; and 256,200,000, 1-mark silver pieces.[52a]

GIBRALTAR

> The monetary unit is the pound sterling, divided into 20 shillings of 12 pence each. The par value of the pound sterling is approximately $4.8666.

Present legal provisions.—An order-in-council of August 9, 1898, effective October 1 of that year, made the pound sterling the monetary unit in Gibraltar.

Possibility of increased use of silver without new legislation.—No special coins are minted for Gibraltar.

Attitude toward silver.—See United Kingdom and Spain.

Present employment of silver.—Both British and Spanish currency circulates freely in Gibraltar, Spanish coins forming about half of the total.

GOA

> The monetary unit is the rupia, divided into 16 tangas. The rupia has a par value of approximately $0.365.

The silver currency in circulation consists of 1-rupia coins, British Indian rupees, and British Indian fractional coins. Fractonal rupia coins have been minted but all are at present held by the Banco Nacional Ultramarino. The latter coins are in denominations of 8, 4, and 2 tangas. Most of the metallic currency in circulation is British Indian. The rupia coin has the same weight and fineness as the British Indian rupee.

The rupia is legal tender to any amount; the smaller silver coins are limited in legal tender to 1 rupia.

The note issue is secured by a metallic reserve of at least 33⅓ percent.

[52a] See Addendum, p. 141.

GREECE

The monetary unit is the drachma, divided into 100 lepta. The drachma has a par value of approximately $0.0130.

Present legal provisions.—The law provides for subsidiary silver coins in denominations of 20 and 10 drachmas, 0.500 fine. All Greek coins are legal tender for all private and Government debts, with apparently no limit as to amount. Law No. 4546 of April 16, 1930, abolished the export tax on Greek silver coins.

Possibility of increased use of silver without new legislation.—Additional silver coins could not be minted without the permission of the International Financial Commission, a pre-war body established to protect foreign loans made to Greece.

Attitude toward silver.—No legislation affecting silver coinage is contemplated, and there appears to be no interest in silver. There is, however, much interest in the stabilization of the currency in terms of gold.

Present employment of silver.—In addition to the new 20- and 10-drachma coins, some old silver coins, dating from before the stabilization of the currency, are in circulation, and enjoy extra-legal recognition. On October 31, 1932, Greek silver coinage outstanding was reported as approximately 188,000,000 drachmas. Greek coins are minted abroad, and 117,000,000 drachmas in unissued silver coin are in the hands of the authorities.

GREENLAND

The monetary unit is the Danish krone (crown), divided into 100 öre. The par value of the krone is approximately $0.268. (See Denmark.)

GUATEMALA

The monetary unit is the quetzal, divided into 100 centavos. The quetzal has a par value of $1. In addition to the fractional coins mentioned below, there are copper "peso" and "centavo" coins which circulate at 60 pesos per quetzal.

Present legal provisions.—The law provides for subsidiary silver coins in five denominations—1 quetzal, and 50, 25, 10, and 5 centavos, 0.720 fine and legal tender to 10 quetzales. The central bank may legally include silver in its reserves. According to Legislative Decree No. 1379 of 1924 (art. 9), and Legislative Decree No. 1824 of May 6, 1932 (art. 7), the silver coinage may not exceed 2,000,000 quetzales.

The law governing the central bank requires that institution to keep, against its notes and deposit liabilities, certain specified reserves in gold and gold exchange. One thirtieth of these reserves (40 percent against notes, 25 percent against deposits for 30 days or less, and 100 percent against special deposits) may be composed of silver.

Possibility of increased use of silver without new legislation.—There is no likelihood that additional silver will be required, since the Government contemplates demonetizing certain coins.

Attitude toward silver.—The most popular coin is the quarter-quetzal. The half-quetzal and one-quetzal silver coins have proven

unpopular, and the Government expects to demonetize them togethe with certain old silver coins still used in Oriente and Peten. Som of the quarter-quetzales also may be withdrawn from circulation On the other hand, a small additional supply of 5- and 10-centav pieces will probably be required.

No legislation involving a net increase in the employment of silve as currency is contemplated.

Present employment of silver.—The silver coins expected to b withdrawn include 10,000 quetzales and 400,000 half-quetzales. Ol silver in circulation is estimated at 50,000 "realitos" plus a few ol silver pesos. The present circulation of quarter-quetzales is esti mated at 3,960,000 pieces. The latest complete estimate of the cir culation of all silver coins is 1,512,445 quetzales, as of the end o 1930. Of that sum, the central bank held 305,442; other institutions 14,237; and the general public, the remainder.

HAITI

The monetary unit is the gourde, divided into 100 cents. The gourde has a par value of $0.20.

Present legal provisions.—The present parity of the gourde wa established by a law of August 26, 1913. The following table show the coins that are provided by the law.

Denomination	Fineness	Gross weight	Denomination	Fineness	Gross weight
		Grams			*Grams*
1 gourde	0.835	25.0	10 cents	0.835	2.
50 cents	.835	12.5	5 cents	.835	1.
20 cents	.835	5.0			

to a considerable extent. The Bureau of the Mint placed Haiti' and hence circulates freely.

Present employment of silver.—Haitian silver coins are not in gen eral circulation. United States silver coins, however, do circulat to a considerable extent. The Bureau of the Mint placed Haiti' stock of silver in the banks and treasury at $17,000, United State currency, as of the end of 1931.

HEDJAZ, NEJD, AND DEPENDENCIES

The monetary unit is the Saoudi ryal, theoretically divided into 11 qarsh miri or 22 qarsh darij. The subsidiary silver coins, however, are called ½ and ¼ ryal. The Saoudi ryal theoretically has a par value of approximately $0.4867.

Present legal provisions.—There is no formal currency law in thi area. On January 23, 1928, the Saoudi ryal was made the monetar unit. The Government has frequently announced in the newspape Um al Kura that the public must accept the silver 1, ½, and ¼ Saoudi ryal at the fixed rate of 10 ryals per British gold sovereig But, despite the Government's wishes, that valuation does not pre vail, and the silver coins fluctuate daily. At the end of 1932 th value of these coins on local markets was at the rate of 20 ryals pe sovereign. Indeed, the Government itself does not accept ryals a

the proclaimed rate, and only the scarcity of media of exchange keeps their value as high as it is. The Government prohibits the importation of Maria Theresa dollars.

Possibility of increased use of silver without new legislation.—There is no restriction upon the issuance of silver coins.

Attitude toward silver.—There are no prospects of legislation affecting the monetary use of silver in the Saoudian Arabian Kingdom. It is unlikely that silver will be displaced by other forms of money at any time in the near future.

Present employment of silver.—The Saoudi ryal and the fractional silver coins are 0.830 fine, and have a gross weight of approximately 24.05 grams per ryal. They are full legal tender. Their circulation in May 1932 amounted to 1,500,000 ryals, divided as follows: Ryal coins, 1,200,000; half-ryals, 300,000; quarter-ryals, 600,000. These coins circulate only in the Hedjaz. In Nejd the Maria Theresa dollars still circulate.

HONDURAS

The monetary unit is the lempira, divided into 100 centavos. United States currency is used in Northern Honduras. The par value of the lempira is $0.50.

Present legal provisions.—By Decree No. 102 of April 3, 1926, as amended by Decree No. 114, dated March 9, 1931, published in an official pamphlet entitled Leyes que Regulan la Conversión Monetaria, three silver subsidiary coins are provided. These coins, all 0.900 fine, are in denominations of 100, 50, and 20 centavos, weighing 12.5, 6.25, and 2.5 grams, respectively.

The 20-centavo silver coin is legal tender up to 5 percent in any one payment, unless otherwise agreed. No maximum limit is specified as to the legal-tender properties of silver or other money 50 centavos and above in denomination.

The law specifies that the coins must be guaranteed by a reserve of at least 50 percent in gold.

On April 28, 1931, the President of Honduras, in accordance with the terms of Decree No. 114, issued currency regulations which, among other things, provided (art. 6) that "the minting of silver and minor money may not exceed 1,500,000 lempiras excepting as provided in articles 7 and 8 of these regulations. Any increase in the coinage will require the approval of the monetary commission mentioned (in the currency law)."

Article 7 of the regulations states that "new silver money may be coined and issued only in exchange for gold money or American paper money in accordance with article 4 of Legislative Decree No. 169 of March 28, 1930, as modified by Decree No. 114 * * *." Article 9 states: "The foregoing restrictions are not applicable in case of recoinage, whereby there may be minted and issued whatever quantity of silver, copper, and nickel money may be necessary, * * *." It is further provided that the amount of such coins shall not exceed in face value the amount of the coins withdrawn.

Possibility of increased use of silver without new legislation.—Apart from recoinage, the issuance of silver is restricted to 1,500,000 lempiras, excepting in the case of recoinage or in exchange for gold money.

Attitude toward silver.—It is the purpose of the authorities to keep the silver currency redeemable in gold. The necessity of maintaining a reserve of at least 50 percent in gold places an automatic limit upon the issuance of silver. It is intended to issue 800,000 lempiras more of subsidiary coin, eventually bringing the total of silver and nickel pieces to 3,000,000 lempiras. It is unlikely that any additional silver will be issued.

So far, the various old silver coins which have been retired have been the sole source of the silver used for the new coinage, and the monetary commission charged with the issuance of the new money does not contemplate the use of any other silver.

Present employment of silver.—With the exception of United States currency, which circulates as legal tender in northern Honduras,[53] the three silver coins mentioned above replace the old Honduran peso and sol and other Central American subsidiary coins previously used in Honduras.

At the end of 1932 the amount of silver coins in circulation was approximately as shown in the following statement:

	Lempiras
1 lempira	750,000
50 centavos	800,000
20 centavos	350,000
Total	1,900,000

The only other lempira coins issued were some 300,000 lempiras of nickel pieces, no gold or copper having been minted under the new law.

HONG KONG

The unit of currency is the Hong Kong (British) dollar, divided into 100 cents. The Hong Kong dollar, being on the silver standard, has no fixed parity in terms of gold.

Present legal provisions.[54]—On April 27, 1842, Mexican and other republican dollars were proclaimed the standard currency of the colony. By a proclamation of 1863, Mexican dollars and other silver dollars of equivalent value that might from time to time be authorized became the only legal tender of payment.

The present currency of the colony was established by an order in council proclaimed in 1895. In accordance therewith, the Mexican dollar is the standard, to which the British or any other dollar should conform if it is to be accorded equality of status. The order in council is noteworthy also as ordaining that, in the absence of express agreement to the contrary in all contracts and transactions involving liability to pay money, payment should be made in the standard coin of the colony. In effect the Mexican dollar and the Hong Kong (British) dollar are full legal tender.

Anyone holding silver bullion may have it coined into Hong Kong dollars at the Royal Mint in London upon payment of the minting charges. The dollars are also freely purchasable from the Bombay branch of the Royal Mint, but not under circumstances which may be described as free coinage, for the mint insists on using its own bullion.

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[53] United States gold money is legal tender throughout Honduras.

[54] See Hong Kong Government Gazette, Aug. 1, 1930, p. 383 ff., containing Report of the Currency Committee, 1930. The chairman of the committee was C. McI. Messer.

The importation into and circulation in the colony of any foreign silver or nickel coin (excepting those named in the law) was forbidden in 1913 by ordinance no. 15 of that year.

On June 19, 1930, owing to the local depreciation of silver dollars in terms of Hong Kong paper money, importation of Mexican dollars in quantities of more than 50 at a time was prohibited. Following the recommendation of the Hong Kong Currency Commission, the Hong Kong banks of issue were authorized to increase their note issue against cover of bar silver held in London rather than against minted dollars held in Hong Kong.

The ordinances governing the note issue of the Hong Kong & Shanghai Banking Corporation in Hong Kong require a reserve of one third in silver. This ratio has been observed also by the two other banks of issue. Another significant feature of the system of note issue in Hong Kong is that the Hong Kong & Shanghai Banking Corporation enjoys an authority, not shared by the other banks of issue, whereby it may exceed its statutory limit to any amount by the deposit of an amount of coin or bullion equivalent to the value of the excess notes issued. The effect of this is that when the limits of the other two issuing banks have been reached any large emergency demand may only be met by the Hong Kong & Shanghai Banking Corporation.

The privilege of issuing notes in the colony was granted to the chartered bank in 1853, to the Hong Kong & Shanghai Banking Corporation in 1866, and to the Mercantile Bank in 1911. The understanding or convention by which notes, rather than coin, became accepted in all banking, mercantile, and revenue transactions is said to date from about 1890, and there subsequently developed a tacit agreement not to observe too strictly the terms of the order-in-council of 1895. The acceptance of this convention was almost universal, and any attempt to depart from it by meeting obligations with coin tended to be suppressed by reciprocating in kind.

Possibility of increased use of silver without new legislation.—In theory the use of silver money might be extended indefinitely without amending the existing laws.

Attitude toward silver.—Despite the fact that silver dollars are full legal tender, the Hong Kong and South China public at times during the last 33 years has accepted them only at a discount in terms of the notes issued by Hong Kong banks, because of the relatively greater convenience of the paper money. For a time the banks refused to accept for deposit any large amounts of silver. The local branch of a French bank became in effect a silver-dollar clearing house and depository, and at one time had over 20,000,000 silver dollars stored in its vaults. When the premium on paper money was high, the Hong Kong & Shanghai Banking Corporation refused to accept silver checks. Other banks finally met, and served an ultimatum stating that they would break the clearing house unless the Hong Kong & Shanghai Banking Corporation accepted silver dollars. Since then, note-issuing banks in Hong Kong have maintained a large portion of their reserve in Hong Kong dollars.[55]

[55] See The Silver Market in 1930, Trade Information Bulletin No. 742, by Herbert M. Bratter, pp. 17–18; also the Hong Kong Government Gazette of Aug. 1, 1930, p. 385.

The report of the Hong Kong Currency Commission,[56] rendere in May 1931, stated that the retention of the silver standard wa to the colony's best interests, because the abandonment thereo "would gravely prejudice the import and export trade of Sout China conducted and financed through Hong Kong, which is th sheet anchor of the colony's prosperity, and would affect inju riously many other branches of business. * * *

"We * * * make a suggestion that the existing issue of silve subsidiary coins should be withdrawn and replaced by an issue o base-metal token coins * * *.

"We make recommendations for the accumulation of a sterlin fund by the currency board with the object of preparing for th ultimate conversion of Hong Kong currency to a gold basis, if an when it appears desirable."

Present employment of silver.—The circulation of silver in Hon Kong is in practice very small. Apart from subsidiary coins th currency in use consists exclusively of banknotes redeemable in silve dollars. The banks which do not enjoy the right of note issue kee as little silver as possible on hand. The main employment of th metal is as reserves against the notes of the three issuing banks At the end of December 1932, the combined circulation of notes o the Hong Kong & Shanghai Banking Corporation, the Charterec Bank of India, Australia & China, and the Mercantile Bank of Indi totaled 153,612,000 Hong Kong dollars, of which 130,223,000 wer notes of the first-mentioned institution. According to E. Kann, o Shanghai, if we assume that the note-issuing banks hold abou 50,000,000 dollars, the total stock is about 200,000,000 dollars, o slightly more than 150,000,000 fine ounces.

The Hong Kong dollar coin has a gross weight of 26.9563 gram and is 0.900 fine. The Mexican dollar weighs 27.0691 grams and i 0.9027 fine. There are four subsidiary coins of silver, all 0.800 fine The 50-, 20-, 10-, and 5-cent pieces, weighing 13.5757, 5.4307, 2.7153 and 1.3577 grams gross, respectively. These subsidiary silver coin are legal tender in payments of not more than two dollars. Accord ing to a 1930 report, the Hong Kong Government has issued sub sidiary coin of the face value of 44,000,000 Hong Kong dollars In 1905 the Government ceased making subsidiary silver coin and has since demonetized more than 22,735,000 Hong Kong dollars o subsidiary silver. The estimated amount of subsidiary coin in cir culation in 1928 was 17,914,370 Hong Kong dollars.

HUNGARY

The monetary unit is the pengö, divided into 100 fillers. The pengö has a par value of approximately $0.1749.

Present legal provisions.—The monetary law (no. 35) of 192 provided for subsidiary pengö silver coins weighing 5 grams, 0.64 fine, to be issued within a maximum of 45,000,000 pengö, and to b legal tender up to 50 pengö. Law no. 26 of 1929 increased th maximum issue to 65,000,000 pengö, and authorized the minting o 2-pengö and 5-pengö silver pieces, 0.640 fine and weighing 10 and 2 grams, respectively. The 2-pengö piece is legal tender to 100 peng and the 5-pengö piece, to 250 pengö.

[56] Messrs. W. H. Clegg, P. H. Ezechiel, G. L. M. Clauson.

The finance minister's decree no. 116,600 of 1930 specified the amount of silver of each denomination to be minted within the 65,000,000 pengö limit mentioned above, namely:

	Pengö
31,000,000 1-pengö pieces	31,000,000
5,000,000 2-pengö pieces	10,000,000
3,650,000 5-pengö pieces	18,250,000
Total	59,250,000

Decree no. 109,500 of 1931 ordered the minting of 2,000,000 additional 2-pengö pieces and thus brought the total to 63,250,000 pengö, some of which are not in circulation but are held by the Hungarian National Bank.[57]

The law governing the central bank provides that notes and demand liabilities (other than those owing to the State) shall be secured by a 24 percent [58] reserve which may include silver and minor coin. There is apparently no limit to the amount of the reserve which may be held in the form of silver coin. The latest report available, showing silver separately, is that for 1928. Of a reserve totaling over 263,550,000 pengö, 792,185 pengö was silver coin and 7,673,617 pengö, other subsidiary coin.

Possibility of increased use of silver without new legislation.—Under the terms of the 1929 law silver might still be issued to the extent of 1,750,000 pengö, the minting of which would consume about 180,000 fine ounces of the white metal.

Attitude toward silver.—No legislation is contemplated which would affect the monetary use of silver.

Present employment of silver.—At the end of 1931 the circulation of silver and other subsidiary coin amounted to 66,125,000 pengö, compared with a note circulation of 422,794,445 pengö. Silver alone was reported as totaling 10,268,348 pengö in circulation and 1,453,861 in the central bank and treasury. The 63,250,000 pengö of silver already minted represent just over 6,500,000 fine ounces of silver.

HYDERABAD

The monetary unit is the Osmania Sicca rupee, divided into 16 annas. The Osmania Sicca rupee has a par value of approximately $0.465.

The Osmania Sicca rupee was established by the Hyderabad Government in 1855 as a silver coin weighing 165 grains 9/11 (0.8182) fine. Subsidiary coins include the silver half-rupee, quarter-rupee, and 2-anna pieces, weighing 5.57, 2.76, and 1.34 grams, respectively, and of the same fineness as the Osmania Sicca rupee. These coins are all struck at the Hyderabad State Mint.

To September 1930, Osmania Sicca rupees had been issued to a total of 251,600,000. Withdrawals totaled 5,918,000, and the amount held in the paper currency reserve, 51,700,000, leaving about 194,000,000 presumably in circulation. Also held by the general public, chiefly in hoards, is a substantial amount of Halli Sicca rupees, which are no longer legal tender, but are accepted by the Government treasury and withdrawn from circulation as received.

[57] The bank held approximately 9,309,000 pengö of subsidiary coin on Feb. 15, 1932.
[58] Subject to a special tax, the ratio may be permitted to fall below this amount. The ratio is to be increased to 28 percent in June 1934, and to 33⅓ percent in June 1939.

According to the Hyderabad Currency Act of 1912, the Osmania Sicca rupee and half-rupee are unlimited legal tender, the silver quarter- and eighth-rupee being limited to 1 rupee in legal tender. Although not legal tender, British Indian rupees circulate freely, for they may be used whenever the parties to a contract agree.

The Osmania Sicca rupee is pegged to the British Indian rupee by means of a fund known as the Osmania Sicca Stabilization Fund. The note issue is secured by the paper currency reserve, which must consist two thirds of gold or silver bullion or of rupees (British Indian or Osmania Sicca). In October 1930 the paper currency reserve consisted of British Indian rupee notes, 26,782,500 rupees; British Indian coin and bullion, 6,000,000 British Indian rupees; and Osmania Sicca coin, 52,660,142 Osmania Sicca rupees.

In 1930, British Indian currency to a total of 5,000,000 rupees was estimated to be in circulation in Hyderabad.

ICELAND

The monetary unit is the Danish krone (crown), divided into 100 ører. The par value of the krone is approximately $0.268. (See Denmark.)

IRAQ

The monetary unit is the dinar, divided into 1,000 fils. The dinar has a par value of approximately $4.8666.

Present legal provisions.—The currency act of March 24, 1931, signed by King Feisal on April 19, states that there may be coined from time to time by the currency authority for use in Iraq, subsidiary silver coins of 50 and 20 fils, 0.500 fine. The prescribed gross weight of these coins is 9 and 3.6 grams, respectively. The 50-fil coin is legal tender up to 5 dinars, and the 20-fil coin up to 200 fils. British Indian silver coins ceased to be legal tender on April 1, 1932.

A law dated May 14, 1932, sanctioned the issuance of two additional silver coins—a 200-fil (or ryal) piece and a 100-fil (or half-ryal) piece, both 0.900 fine, and having gross weights of 20 and 10 grams, respectively.

The currency is controlled by the Iraq Currency Board, sitting in London, where a reserve fund in British securities and bank notes is held.

There are no restrictions upon movements of silver.

Possibility of increased use of silver without new legislation.—There appears to be no legal obstacle to the issuance of additional silver coins. By the existing laws the Iraq Currency Board may on demand issue 20-, 50-, 100-, and 200-fil silver coins according to the requirements of the country without any limit, but against prepayment of pounds sterling in London. If the board desired to mint other silver denominations, new legislation would be necessary.

The silver coinage requirements of Iraq are estimated at one sixth of the total currency requirements. Placing the latter at 3,000,000 dinars, approximately 500,000 dinars in silver coins will be needed when all the British Indian currency has been withdrawn. Since Iraqi silver coins to a total of 208,150 dinars—representing 602.285 fine ounces of silver—were in issue at the end of 1932, approximately 292,000 additional may eventually be issued.

Future consumption of silver in coinage was estimated by Minister Resident P. Knabenshue in March 1933, as shown in the following table:

Denomination	Face value in dinars	Number of pieces	Fine ounces (troy) of silver required
200 fils	75,000	375,000	217,014
100 fils	75,000	750,000	217,014
50 fils	100,000	2,000,000	289,352
20 fils	41,850	2,092,500	121,094
Total	291,850		844,474

Attitude toward silver.—The official attitude toward silver seems to be that it should be employed simply as subsidiary money. No new currency legislation is contemplated. As the people prefer metal to paper money, silver promises to continue popular.

Present employment of silver.—On September 30, 1932—according to a statement of the currency officer—there were outstanding 3,638,000 50-fil silver coins amounting to 181,900 dinars, and 947,500 20-fil silver coins amounting to 18,950 dinars, a total of 200,850 dinars. This compared with a total circulation of coins (silver, nickel, and bronze) of 234,475 dinars. Paper money outstanding on the same date amounted to 1,565,923 dinars.

A report by the American minister resident at Baghdad on March 13, 1933, stated that up to the end of 1932, 2,086,185 dinars in notes and coin had been issued in exchange for Indian rupee currency, the circulation of which, in Iraq on April 1, 1932, was estimated at 40,000,000 rupees. During the 9 months since the first issuance of the new currency a total of 27,815,800 British Indian rupees had been withdrawn. It is believed that the British Indian currency will not be completely withdrawn for 5 years.

Although the law of May 14, 1932, became effective May 23 that year, no 100- or 200-fil coins had been issued by the middle of March 1933. It was reported, however, that a consignment was shortly expected from London. About 142,000 dinars of the 100- and 200-fil silver coins are expected to be issued.

IRISH FREE STATE

The monetary unit is the Saorstat pound, divided into 20 shillings of 12 pence each. The Saorstat pound has a par value of approximately $4.8666.

Present legal provisions.—The coinage act of 1926, approved April 13, provides for three silver coins, legal tender to not over 40 shillings, as follows:[59]

Denomination	Fineness	Gross weight in grams
½ crown	0.750	14.1380
Florin	.750	11.3104
Shilling	.750	5.6552

[59] See the General Acts passed by the Oireachtas of Saorstat Eireann during the year 1926 (Dublin 1927), pp. 121–127.

The Minister of Finance is authorized to provide and issue th foregoing silver coins, and may call in coins of any particular de scription. British coins enjoy the same legal tender properties a Free State coins of the corresponding denominations.

The executive council may by order deprive British coins of lega tender either generally or for any specific purpose.

Possibility of increased use of silver without new legislation.— The Finance Minister apparently possesses broad powers to issu silver coin.

Attitude toward silver.—No preference for silver has been note

Present employment of silver.—Circulation of silver in the Irish Free State at the end of 1931, totaled £711,764, not including £313,931 held in the banks.

In February 1929, the debates in the British Parliament revealed an arrangement between the United Kingdom and the Irish Fre State, whereby up to £750,000 of British silver coins in use in th Irish Free State would be redeemed by the British Government a their face value over a 10-year period.[60]

ITALIAN SOMALILAND

The monetary unit is the Italian lira, divided into 100 centesimi. The lira has a par value of approximately $0.0526.

Present legal provisions.—By royal decree of June 18, 1925, th Italian lira is the only legal tender in Italian Somaliland. Specia silver coins for the colony were established—the 10-lira piece weigh ing 12 grams, and the 5-lira piece weighing 6 grams; both coins 0.835 fine. The rupia, a silver coins, is stabilized in value at 8 lira

Attitude toward silver.—There has been reported no intimatio of any change in the law governing the monetary use of silver i the colony.

Present employment of silver.—In commercial transactions th Maria Theresa dollar is still widely used by the natives.

ITALY

The monetary unit is the lira, divided into 100 centesimi. The par value of the lira is approximately $0.0526.

Present legal provisions.—Silver disappeared from circulatio during the World War and it was not until 1925 that the decisio was reached to put silver coins back in circulation.

On September 7, 1926, the Government undertook to convert th Bank of Italy's 5- and 10-lira notes into silver coin. Under th terms of decrees of that date and June 23, 1927, there have bee issued 20-lira pieces 0.800 fine and 10- and 5-lira pieces 0.835 fine These three coins have a gross weight of 15,[61] 10, and 5 grams respectively. The 20-lira piece is legal tender for all debts not ex ceeding 1,000 lire. The legal tender of the 10- and 5-lira pieces i limited to 500 lire.

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[60] See the London Times, Feb. 28, 1929. The matter was also discussed in the Iris Times (Dublin) of Jan. 22, 1929, which gave £1,000,000 as the estimated circulation o British coinage in the Irish Free State.

[61] Some of the 20-lira pieces weigh 20 grams. See table.

By decree of December 21, 1927, the currency was stabilized in terms of gold.

Royal Decree No. 988 of July 3, 1930, provided for the withdrawal of 100,000 lire of 20-lira coins and the substitution of 10- and 5-lira coins therefor.

Possibility of increased use of silver without new legislation.—The Government has authority to issue 89,857,000 lire in silver without new legislation. (See accompanying table.) This would require about 2,400,000 ounces of fine silver.

Attitude toward silver.—No legislation which would affect the monetary use of silver is reported. Should the need for more silver currency arise, it would be a simple matter to issue a decree law covering the situation. But, it is reported, there exists no sentiment for silver, the metal being used simply as convenient for subsidiary purposes. In replacing small bank notes with coin prior to the stabilization of the currency in 1927, the Government after some consideration decided upon silver rather than nickel. The use of silver was informally explained at the time as being the more consonant with the dignity of the State. Apart from this, however, it should be recalled that the Government had on hand a stock of pre-war silver coins then no longer in circulation.

Present employment of silver.—The silver coins issued under the Latin Monetary Union specifications have all been withdrawn from circulation.

Authorized circulation of silver and the actual circulation on September 30, 1932, were as shown in the following table:

[In thousands of lire]

Denomination	Authorized	Actual	Still issuable
20-lira	200,000	[1] 190,828	9,172
10-lira	650,000	636,675	13,325
5-lira	875,000	807,640	67,360
Total	1,725,000	1,635,143	89,857

[1] Of these, 36,200,000 lire were in 20-gram pieces and the rest in 15-gram pieces.

Since 1919 the Italian Government has sold no silver. Estimates of silver holdings in Italy as of the end of 1932 are as follows:

	Fine ounces
Held by the Banca d'Italia:	
Silver currency	68,359
Bar silver	39,127
Total	107,486
Held by the Government:	
With the Treasury, pre-war 5-lire pieces	1,149,000
Bar silver in the mint	4,179,596
Total	5,328,596
Grand total	5,436,082

JAMAICA

The monetary unit is the pound sterling, divided into 20 shillings of 12 pence each. The par value of the pound sterling is approximately $4.8666.

Present legal provisions.—The British coinage system applies t Jamaica. British silver coins less than 6 pence in value are limite in legal tender to 40 shillings; larger coins are unlimited lega tender in Jamaica.[62]

According to a proclamation of October 23, 1863, money repre senting fractional parts of "the dollar of foreign States" is no legal tender. The United States standard silver dollar ceased to b legal tender in Jamaica in 1876.

Present employment of silver.—At present only American bill among foreign currencies, circulate to any extent. Some America silver is to be found in circulation, especially around Kingston.

A 1930 report stated the commissioners of currency were gradual converting into silver coins, the British Treasury notes held a part of the coin reserve. The balance sheet of the commissione of currency for March 31, 1930, showed: Total fund, £86,976; not guaranty fund, £25,449; silver coin portion of note guaranty fund £16,900.

The United States Bureau of the Mint reports silver in the bank and treasury of Jamaica at the end of 1931 as equivalent t $876,000 United States currency.

JAPAN[63]

The monetary unit is the yen, divided into 100 sen. The yen has a par value of approximately $0.4985.

Present legal provisions.[64]—The basic monetary law is law no. 1 of March 6, 1897, which went into effect October 1, 1897. That law substituted the gold for the silver standard and provided for th gradual retirement of the 1-yen silver coins. It altered the silve content, per yen, of the subsidiary silver coins from the equivalen of approximately 0.7837 fine ounce, troy, established in 1871, t approximately 0.6933 fine ounce. This was lowered successively i 1906, 1918, and 1922, when the content was made approximately 0.2292 fine ounce.

According to the present law there are only two denomination of silver currency in use: The 50-sen piece weighing 4.95 gram (gross) and the 20-sen piece weighing 1.98 grams. Both are 0.72 fine.[65] Both are limited to 10 yen in legal tender.

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[62] According to William F. Spalding, Directory of the World's Currencies and Foreig Exchanges.

[63] The currency system of Japan is described in detail in The Currency System of Japa Trade Information Bulletin No. 673, by Herbert M. Bratter, sold at 10 cents per copy b the Government Printing Office, Washington, D.C. See, also, Japanese Banking, Trad Promotion Series No. 116, by Herbert M. Bratter, sold at 50 cents per copy.

[64] Imperial Mint, Osaka. The Coinage Law, Coinage Regulations, and Regulations fo Refining and Certification of Fineness of Gold and Silver Bullion, etc., of Japan, Osak 1923.—Contains: The coinage law (law no. 16 of March 1897 as amended by subsequen laws; coinage regulation (Imperial Ordinance No. 138 of 1897 as amended by subsequen ordinances); regulation for refining and certification of fineness of gold and silver bullio (Imperial Ordinance No. 139 of 1897 as amended by subsequent ordinances); procedur relating to the receipt and payment of bullion for coinage and coins manufactured an to the certification of fineness of bullion for refining; and assay fees for bullion deposite fees for certification of fineness, and fees for refining and parting.

[65] There was a 5-sen silver piece, discontinued in 1867, and a 10-sen silver piec discontinued by law no. 5 of 1920.

The Japanese coinage system was, in April 1918, extended to Chosen. Old silver coins of Chosen continued to be legal tender until the end of 1920. In Taiwan prior to 1908 Japanese silver yen circulated. In 1908 steps were taken toward the application of the gold standards, and in April 1911 the Japanese coinage system was extended to Taiwan.

According to the act governing the Bank of Japan, the bank's note-issue reserve may include silver. The bank may issue notes without limit against gold and silver coin and bullion, provided the silver does not exceed 25 percent of the total. (In practice no silver is so used.) The bank's reserve fund set aside to make up losses of capital and equalize annual dividends may be invested in silver.

The Bank of Chosen act permits that institution to issue notes without limit, on the security of gold specie, gold and silver bullion, and Bank of Japan notes, the silver not to exceed 25 percent of the reserve.

The Bank of Taiwan may issue notes without limit against a reserve of gold and silver coins and bullion.

Possibility of increased use of silver without new legislation.—Since the present laws place no limits on the amount of silver coinage, the latter might be increased without new legislation.

Attitude toward silver.—No legislation affecting the monetary use of silver is anticipated, the authorities apparently being content to limit the use of silver to subsidiary coinage.

Present employment of silver.—In recent years silver coins in circulation have increased, as shown by the following statement:

	Yen
1915	281,418,000
1920	314,751,000
1925	450,350,000
1930	455,912,000
1931	465,736,000

How much fine silver is represented by these figures cannot be precisely stated because the silver content of the coins was altered by Law No. 73 of April 1922. Thus, from 1867 to 1922, the 50-sen piece contained 3.588 momme [66] or 208 grains of silver; whereas, after 1922 its silver content was reduced to 1.32 momme or about 76.5 grains.

In March 1930 Japanese silver coins in Chosen totaled 3,172,000 yen, compared to a total currency stock of 140,755,000 yen.

According to a statement in the Trans-Pacific (Tokyo) of February 23, 1933, the Government's minting program for 1933–34 called for 5,000,000 yen of 50-sen silver pieces. The magazine, however, reported a surplus of 50-sen pieces already in circulation in Japan.

LATVIA

The monetary unit is the lat, divided into 100 santimi. The lat has a par value of approximately $0.1930.

Present legal provisions.—The basic monetary law is that of August 3, 1922, which established the lat as the standard of value. This law, as amended by laws of September 1922 and March 18,

[66] 1 momme equals 0.12057 ounce troy.

1925, provided for the minting of 1-, 2-, and 5-lat silver pieces and set the maximum silver issue at 30 lats per capita.[67] Silver must be accepted by the Treasury without limit as to quantity; in other payments legal tender of the silver coins is restricted to 25 lats. The coins are 0.835 fine and their gross weights are shown in the accompanying table.

Possibility of increased use of silver without new legislation.—Without new legislation silver coins to the amount of 10 lats per capita might be issued, involving the use of approximately 2,617,000 fine ounces. (Latvia's population by the 1930 census was 1,900,045.)

Attitude toward silver.—No change is contemplated in the legislation governing the monetary use of silver. Although the existing law would permit the issuance of additional silver coins, no such step is contemplated. The present stock of silver in circulation is considered adequate.

The amount of silver represented by the coins minted was as follows on October 1, 1932:

Denomination	Number of pieces	Silver content in kilograms	Silver content in thousands of fine ounces
1 lat	10,000,000	41,750	1,342
2 lats	7,000,000	58,450	1,879
5 lats	3,000,000	62,625	2,013
Total	20,000,000	162,825	5,235

Present employment of silver.—The following table shows the circulation of silver in Latvia on October 1, 1932:

Denomination	Gross weight in grams	Face value of coins minted	Face value of coins in circulation
		Lats	*Lats*
1 lat	5.0	10,000,000	4,600,000
2 lats	10.0	14,000,000	10,000,000
5 lats	25.0	15,000,000	10,600,000
Total	----------	39,000,000	25,200,000

LEEWARD ISLANDS[68]

The monetary unit is the pound sterling, divided into 20 shillings of 12 pence each. The par value of the pound sterling is approximately $4.8666.[69]

The British coinage system applies to the Leeward Islands.

[67] See Report of the Director of the Mint, 1929, p. 165. Other amendments to the coinage law were enacted Oct. 2, 1923; Mar. 20, 1924; and Oct. 2, 1925.

[68] Antigua, St. Kitts-Nevis, Montserrat, Dominica, and British Virgin Islands.

[69] The British West Indies dollar, a unit of account equivalent to 4s. 2d. is in use, but it is not coined.

LIBERIA

The monetary unit is the dollar, divided into 100 cents. The Liberian dollar has a par value of $1.

Present legal provisions.—The monetary unit is established by article 28 of the Constitution. The recognized currency system includes silver 5-, 10-, and 50-cent pieces.

Attitude toward silver.—No prospective legislation which would affect the monetary use of silver has been reported.

Present employment of silver.—Only one issue of the Liberian silver coins mentioned has been minted and the coins do not circulate. Small stocks of them are held at the Monrovia branch of the Bank of West Africa.

The principal currencies used in Liberia are the British West African shilling and 2-shilling pieces, which, while not legal tender, are generally accepted throughout the country. In fact, the Liberian coins are generally refused by the natives. It has been estimated that probably not more than $10,000 of Liberian currency exists in the country.

LIBYA (CYRENAICA AND TRIPOLITANIA)

The monetary system of Italy applies to Libya.

LIECHTENSTEIN

See Switzerland. Liechtenstein uses Swiss currency, the silver coins of the principality having been demonetized April 1, 1931.

LITHUANIA

The monetary unit is the litas,[70] divided into 100 centas. The litas has a par value of approximately $0.10.

Present legal provisions.—The coinage is regulated by the "law relating to the emission and circulation of coined money", issued June 20, 1924, and modified April 20, 1925. This law provides for silver coins 0.500 fine in denominations of 1, 2, and 5 litas, the total coinage not to exceed 6 litas per capita. Silver coins are legal tender in payments of 50 litas or less. Silver coin in amounts of 200 litas or more is exchangeable for other forms of Lithuanian money. The gross weight of these coins is as follows:

1 litas	2.7 grams
2 litas	5.4 grams
5 litas	13.5 grams

Article 15 of the coinage law states that "The Minister of Finance shall be authorized to decide which foreign coins, of what countries, and up to what amounts may be accepted on an equal basis with their own country's coins."

Possibility of increased use of silver without new legislation.—Without new legislation 2,610,000 litas in silver might be issued.

Attitude toward silver.—Whether any more silver will be issued depends entirely upon the requirements of the country's business.

[70] The litas (plural, litas) is also called lit (plural, litu).

Lithuania produces no silver and there is no special sentiment f the metal.

Present employment of silver.—The circulation of silver w stated to be approximately 10,890,000 litas in November 1932, i addition to which 1,500,000 litas of silver coins were held in reserv The note circulation of the Bank of Lithuania in November 193 approximated 100,000,000 litas.

LUXEMBOURG, GRAND DUCHY OF

The monetary unit is the Luxembourg franc, divided into 100 centimes. The franc has a par value of approximately $0.0278.

Present legal provisions.—The Belgo-Luxembourg economic agre ment of May 1, 1922, established the monetary unit on a par with th Belgian franc. Luxembourg coins circulate in the Grand Duch side by side with Belgian currency.[71] Silver coins, in use sinc September 1, 1929, are as follows: 10-franc, 0.750 fine, gross weigh 13.33 grams; 5-franc, 0.625 fine, gross weight 8 grams.

There is no restriction on the importation or exportation of silve coin or bullion.

Present employment of silver.—Most of the currency in use i Luxembourg is Belgian. No data is available here on the amoun of Luxembourg coin outstanding.

MACAO

The monetary unit is the pataca, divided into 100 avos. The pataca is silver and has no fixed par value in terms of gold.

Present legal provisions.—No metallic currency is issued by Macac the only pataca currency being the notes of the Banco Naciona Ultramarino. The value of the pataca is kept at a par with tha of the Hong Kong dollar, and Hong Kong currency as well a Chinese subsidiary coins are legal tender in Macao.

The pataca is defined by law as 26.957 grams of silver 0.900 fine

The notes of the Banco Nacional Ultramarino are backed by 60 t 70 percent in silver and the rest in Hong Kong bank notes or banl deposits, according to a 1932 report.

Attitude toward silver.—So long as Hong Kong continues on a silver basis it is likely that Macao will do so.

MADAGASCAR

The monetary unit is the franc, divided into 100 centimes. The franc has a par value of approximately $0.0392.

Present legal provisions.—The monetary unit is governed by th French stabilization law of June 25, 1928, promulgated in Mada gascar the following day by the Governor General. (See France.)

Attitude toward silver.—See France.

Present employment of silver.—A number of old 5-franc silve coins are still in circulation, although they are being withdrawn b the Banque de Madagascar, which buys them up as bullion.[72] Th

[71] Luxembourg currency is not legal tender in Belgium.

[72] This and other colonial banks sold their stocks of silver to the French Treasury a the time of the monetary reform of 1928.

mount of these coins in the island in 1931 was estimated at 20,000,000 rancs.

Since July 8, 1929, there has been no restriction on the importation r exportation of the precious metals.

MADEIRA

The monetary unit is the escudo, divided into 100 centimos. The escudo has a par value of approximately $0.0442. (See Portugal.)

MALTA [73]

The monetary unit is the pound sterling, divided into 20 shillings of 12 pence each. The par value of the pound sterling is approximately $4.8666.

Present legal provisions.—The only legal tender is British currency, in accordance with an order in council of September 14, 1886, nd ordinance V of 1915.

Possibility of increased use of silver without new legislation.—No special coinage is issued for Malta.

Attitude toward silver.—See United Kingdom.

Present employment of silver.—At the end of 1928 coin in circulation was estimated at £700,000. Coin in banks and the treasury t the end of 1931 was reported to the United States Bureau of the Mint as £55,000.

MAURITIUS

The monetary unit is the British Indian rupee, divided as in India and also decimally. The rupee has a par value of approximately $0.365.

Present legal provisions.—The Indian currency system was adopted by Mauritius by Proclamation 28 of 1876, which made the ilver rupee, one half rupee, one quarter rupee, and one eighth rupee egal tender.[74] Proclamation 11 of 1877 limited to 5 rupees the legal ender of the 1/5-rupee silver piece. Proclamation 12 of the same ear made the same provision regarding the $\frac{1}{10}$-rupee silver piece. Rupee notes are redeemable in silver rupees when presented to he commissioners of currency in Mauritius.

Possibility of increased use of silver without new legislation.—Since there is no restriction on the importation of British Indian coin, the supply thereof can be increased at will without new legisation.

Attitude toward silver.—There has been reported no disposition o alter the present monetary use of silver.

Present employment of silver.—The commissioners of currency n May 1930 reported a note circulation of 14,653,250 rupees, representing a like amount of silver received therefor. Silver in the reserve was listed as 4,774,000 rupees, 14,653,250 rupees being "invested through crown agents and in India."

[73] Includes Gozo and Commino.

[74] The colony had its own paper money, however, until 1920, when that of India was adopted.

MEXICO

The monetary unit is the peso, divided into 100 centavos. The peso has a theoretical par value of approximately $0.4985.

Present legal provisions.—The law covering the monetary use of silver is that of July 25, 1931, as amended March 10, 1932.

According to a law of 1925, the unit of the monetary system is "the peso, equivalent to seventy-five (75) centigrams of pure gold." According to article 2, "circulating money"[75] consists of the following:

(*a*) Notes legally issued by the Bank of Mexico;
(*b*) Silver 1-peso pieces authorized by the law of October 27, 1919;
(*c*) Silver fractional currency consisting of 10-, 20-, and 50-centavo pieces,[76] and certain specified bronze coins.

The only currency which is unlimited legal tender is the peso coin; the fractional silver coins specified are legal tender in payments not exceeding 20 pesos. Within these limits the silver coins specified are legal tender at their face value for payment of any obligation contracted in Mexican currency, or—at the prevailing rate of exchange—for any obligation payable in foreign currency. The 1931 law also provided for the immediate discontinuance of gold coinage and the demonetization of all previously minted gold coins.

According to the preamble to the amendment of the currency law as published in the Diario Oficial of March 10, 1932, the scarcity of currency and the prevailing restriction of credit made it desirable to increase the monetary stock. It was accordingly decreed by the President[77] that the 1931 law should be thenceforth amended (in so far as the coinage is concerned) to the following effect:

To the Bank of Mexico exclusively pertains the right to order the coining of money as and when it may be called for by the monetary requirements of the Republic, such coining to be strictly within the limits of those requirements * * *.

The coining of silver money of 1 peso and of denominations higher than the unit may only be ordered by the Bank of Mexico, * * * subject to the veto of the Minister of Finance and Public Credit. The difference between the cost and the monetary value of the coins of 1 peso and of denominations higher than the unit which may be coined shall be held by the Bank of Mexico, with the exclusive object of increasing as far as may be necessary the legal reserves of the issue of bills, pending its definite application, by law, to the monetary reserve * * *. The coining of silver or copper money in denominations lower than the unit is subject to compliance with the requisites laid down in the foregoing paragraph, and precisely in exchange for silver 1 peso coins, which must be melted down for that purpose * * *.

For this single occasion the Minister of Finance and Public Credit shall order the minting of silver money of 1 peso of legal coinage to the amount which, in the opinion of the board of directors of the Bank of Mexico, is absolutely indispensable to remedy the present insufficiency of currency. The total net proceeds of such coining shall be handed to the Bank of Mexico to be kept and applied to increasing the legal reserves of the issue of bills and for the formation of the monetary reserve, in manner laid down in the first article of this law for the funds proceeding from the minting which may be ordered by the Bank of Mexico.

On March 22, 1933, a ministerial resolution and two monetary decrees were issued. A statement of the Minister of Finance, published

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[75] That is, money entitled to circulate.
[76] Created by the laws of Oct. 27, 1919, and Apr. 29, 1925. All silver coins other than those mentioned in (*b*) and (*c*) above, were demonetized, with certain temporary provisions for the redemption of the 2-peso pieces and other fractional coins.
[77] In accordance with extraordinary powers vested in him in the matters of credit and currency by the law of Jan. 21, 1932.

in El Universal (Mexico City) March 23, made reference to the world economic depression, which necessitated certain measures designed to consolidate Mexico's monetary system, restricting silver coinage to the minimum.

The ministerial resolution provided that "once the coinage program now under way is completed, coinage of unlimited-legal-tender silver shall be suspended and there shall be delivered to the Bank of Mexico the bar silver contracted for said coinage, that it may be applied, at its market value, to the monetary reserve," in accordance with the presidential decrees of March 22.

The first decree amends the law with regard to the control of coinage and the monetary reserve. The second decree is designed to strengthen the Bank of Mexico's control of the currency.

Under the first decree, "The coinage of silver and bronze money of any denomination may be ordered only by the Bank of Mexico * * * subject to the veto of the Minister of Finance." As to the monetary reserve, it shall contain the profits of coinage issued under transitory article 3 of the law of March 9, 1932, as well as gold acquired by such funds, etc. Metal in the reserve is to be valued at its market price.

The law of August 25, 1925, and its amendments, and the above-cited 1931 law and its amendments of 1932 and 1933 regulate the currency functions of the Bank of Mexico. Seigniorage on the coinage and other items are deposited in the Bank of Mexico's monetary reserve fund. That part of the reserve held in Mexico may include silver in the form of coin or bullion valued at the market price of the metal they contain, "with the exception of the amounts, the holding of which in the form of fractional coin not exceeding in total 3 percent of the 1-peso coins in circulation, may be judged prudent in order to assure their exchange for said moneys of 1 peso, as provided in this law * * *." The portion of the reserve which may be held abroad may include silver bullion at its commercial value.

The present silver coins are in denominations of 1 peso, and 50, 20, and 10 centavos, all 0.720 fine and having, respectively, the following approximate gross weights in grams: 16.6667, 8.3333, 3.3333, and 1.6667. The 2-peso piece, withdrawal of which is mentioned above, was coined only in 1921. Three million pieces were issued, 0.900 fine and weighing 26.6667 grams.

Possibility of increased use of silver without new legislation.—The law puts the issuance of silver coins under the control of the Bank of Mexico but subject to the veto of the Minister of Finance and Public Credit.

Attitude toward silver.—No contemplated legislation affecting the monetary use of silver has been reported.

Present employment of silver.—According to the Mexican Secretary of Finance, the stock of metallic money in millions of pesos, in Mexico on January 31, 1933, was as follows:

	Amount
Silver:	
1 peso	159.2
50 centavos	31.3
20 centavos	3.0
10 centavos	1.8
Bronze	5.2
Total	200.5

Coins "retired from circulation":	Amou
Silver	7.
Nickel	1.
Bronze	0.
Total "retired"	9.
Gross stock	209.

At the beginning of February 1933, it was stated that no new silve coins, minted in accordance with the monetary law, had been pu into circulation. Probably something over 200,000,000 silver pes coins are in the hands of the public.

Mexico is not de facto on the gold standard, because there is n coinage of gold and the former gold coins are all demonetized. No is Mexico on the silver standard, since there is no free coinage o silver and Mexican silver coins may not be imported from abroad The exchange value of Mexican currency does not fluctuate with th price of silver but is determined solely by supply of and demand fo exchange. During 1931 Mexico is estimated to have sold something over 4,000,000 fine ounces of silver with the object of converting int foreign exchange certain Government supplies of obsolete coins an metal disks then being held for possible future coinage. In Marc 1932 the Mexican Government concluded arrangements to purchas and coin some 23,500,000 fine ounces of silver over a 12-month period According to a recently published report, between March 12 an November 30, 1932, the Mexican Government purchased 23,330,40 fine ounces of silver.

According to the monthly statements of the Bank of Mexico, tha institution's holdings of silver increased about 12,500,000 pesos be tween August and October 1932, probably as a result of delivery o new coinage and the issuance of notes in exchange for silver. O March 1, 1933, the bank held 69,441,000 pesos of silver.

MONGOLIA

Present legal provisions.—The following is taken from an articl by E. Kann in the Chinese Economic Journal of December 192 (pp. 1007–1010):

> The financial policy of Outer Mongolia is being directed by the Commercia and Industrial Bank of Mongolia (for short, "Mongolbank") with head office at Urga. The currency system was inaugurated by the same institution whic enjoys the benefit of Russian expert advice.
>
> The introduction and adoption of a silver coin styled "tukhrik" as the uni meant the abolition of the Chinese yuan as a medium of circulation. Sys tematic endeavors are being made with a view of banishing Chinese mone from Mongolian soil.
>
> In the summer of 1928 the financial authorities decided to make preparation for the introduction of the gold standard in Outer Mongolia. It was intende to put the new scheme into force at the beginning of 1929, giving the fixe valuation of 50 American gold cents to the tukhrik.
>
> Meanwhile it will be of interest to record the official regulations relativ to the existing Outer Mongolian currency system. The following is a crud translation of the Russian text, as recorded in No. 1 of The Economist, issue at Urga in February 1926:
>
> "The Government of the People's Republic of Mongolia makes the followin address to the population of the People's Republic of Mongolia:
>
> "Up to the present time Mongolia has had no currency of her own, an the whole trade was effected in foreign currencies, mainly in Chinese silve yuan.

"Apart from the fact that such a state of things is entirely inadmissable in n independent and integral country, as Mongolia is now conducting trade silver currency, this entails enormous inconveniences and also involves the ate treasury, as well as the whole population, in considerable incidental xpenses. The Government of the People's Republic of Mongolia constituted the will of the Great Huraldan, and with the approval of the latter, knowledges it expedient in the interest of the Mongolian population to roceed forthwith with the reform of the monetary system and introduces, from December 9 of this year, its own monetary unit, which shall be called e "tukhrik" and be in denominations of 1, 2, 5, 10 tukhriks.

"Eventually, after the coinage of the silver tukhrik is completed, silver ins of 1-tukhrik and 50-mongo denominations and also smaller silver and pper coins will be placed in circulation.

"Henceforth, pending the issuance of the silver tukhrik, banknotes shall be eely exchanged by the Commercial and Industrial Bank of Mongolia at all s branches into Chinese silver yuan according to the rate at which they were sued. At the same rate bank notes shall be accepted in payment for all fiscal vies and also accepted by all commercial concerns.

"Bringing the above to the knowledge of the population of the People's epublic of Mongolia, the Government of the People's Republic of Mongolia equests the free Mongolian people to exhibit full confidence toward its own ational coins and submit to and assist to accomplish the wise policy of the overnment directed toward the replacement of the detrimental foreign currencies by the national one.

"At this junction the Government deems it necessary to emphasize that ases of nonacceptance of the bank notes by the population of foreign citizens nd commercial enterprises, as well as any agitation and instigation, tending provoke distrust toward the new coins and bank notes, will be subjected the full severity of the law.

"In regard to the above, the Government promulgates for general information the resolution with regard to the issue of bank notes by the Commercial nd Industrial Bank of Mongolia * * *."

MOROCCO (FRENCH ZONE)

The monetary unit is the Moroccan franc, divided into 100 centimes. The franc has a par value of approximately $0.0392.

Present legal provisions.—The monetary unit was established by he decree of June 21, 1920, its parity with the French franc being stablished by the agreement of December 29, 1921. The official urrency system makes no provision for the circulation of silver. (See France.)

There are no restrictions on the importation or exportation of ilver or gold in any form.

Present employment of silver.—In portions of the protectorate old Moorish silver coins still circulate, but without legal status. (See Morocco, Spanish Zone.)

In the French, Spanish, and international zones of Morocco at he end of 1931 the stock of monetary silver in circulation was stimated at 17,550,000 francs,[78] and in the State Bank of Morocco, t 12,478,221 francs.[79]

MOROCCO (SPANISH ZONE)

The monetary system of Spain applies to Spanish Morocco.

Present legal provisions.—The legal status of Spanish currency in the Spanish zone of Morocco is defined in article 37 of the General Act of Algeciras, which states:

[78] Of which 8,000,000 Hassani or native pesetas, valued at roughly 10,800,000 Moroccan paper francs, or $432,000, now demonetized in the French zone, and 5,000,000 Spanish pesetas, both still in current use by the natives in the Spanish and international zones.

[79] Consisting of 3,999,678 Hassani pesetas (equal to 799,935 rials), 184,319 Spanish pesetas—together valued at 6,057,752 francs—and 6,420,469 francs of unspecified silver coin belonging to the Government of the French Protectorate.

The bank (State Bank of Morocco) shall take such measures as it ma deem conducive to a sounder monetary situation in Morocco. Spanish currenc shall continue to be permitted to circulate as legal tender.

In consequence the bank shall have the exclusive charge of purchasi precious metals, of striking and melting coins, as well as of all its othe monetary operations for the account and profit of the Moorish Governmen

Theoretically, the Hassani currency is demonetized (see below).

Possibility of increased use of silver without new legislation.—No new legislation would be necessary for the issuance of mor silver.

Attitude toward silver.—The natives favor the use of silver cu rency rather than paper.

Present employment of silver.[80]—The status of the native silve currency was described as follows in 1930 by American Consu Horace Remillard, of Tangier:

The Moroccan silver currency, known as "Hassani" currenc from the fact of its first having been issued in 1881 by the Sulta Moulay Hassan, was demonetized by sultanic decree of March 1 1920, but this decree was never effectively put into application out side the French zone of Morocco. The "Hassani" currency, there fore, continues to enjoy extra-legal recognition in the Spanish zone It is in general use among the Moors, especially in the rural dis tricts, and is the coin commonly employed everywhere for th purchase of local produce from the natives.

The unit of this Moroccan currency is the "rial" or "dollar. Moroccan silver currency (Hassani money) in circulation in th Spanish zone is estimated to aggregate 1,500,000 rials. There ar no data available as to the amount of Spanish currency in circula tion in the Spanish zone of Morocco, and no authoritative figur can be obtained indicating even approximately the monetary stoc in existence in that zone.

No notes or coins other than Spanish and Hassani currency cir culate or are used to any appreciable extent in the Spanish zon of Morocco, and no resort worthy of special attention is made i that zone to the use of checks or paper money.

There are no specific laws in the Spanish zone establishing restric tions on the importation or exportation of gold and silver coins o bullion, nor any which prohibit the importation of foreign note or subsidiary coins. The provisions of article 37 of the Act o Algeciras, above quoted, would, however, be invoked in regard t any such operations which might be deemed to invade the privilege of the State Bank of Morocco referred to in that article of th Algeciras Convention.

Although the monetary unit of the Moorish or Hassani currency is the rial, commercial operations carried on in this currency ar based upon a fictitious Hassani peseta, or one-fifth rial, there being in existence no coin of that denomination. The rial is subdivide into 20 biliouns. The following statement sets forth certain detail of the silver coins:

Denomination	*Fineness*
1 rial (5 Hassani pesetas)	0.900
½ rial (2½ Hassani pesetas)	.835
¼ rial (5 biliouns)	.835
2 biliouns ($\frac{1}{10}$ rial)	.835
1 bilioun ($\frac{1}{20}$ rial)	.835

[80] See this subject under Morocco, French zone.

MOZAMBIQUE

HE COLONY OF PORTUGUESE EAST AFRICA AND THE TERRITORY OF THE CHARTERED COMPANY OF MOZAMBIQUE

The monetary unit is the escudo, divided into 100 centimos. The escudo has a par value of approximately $0.0442.

See Portugal for monetary unit and par value in United States urrency.

Since the publication on April 23, 1932, of the Portuguese Decree o. 21154, the currency of the State-administered Province of Iozambique has been based upon the Portuguese escudo. This decree as followed by publication of a similar decree in the colonial Bol-im Oficial of June 4, 1932.

The currency system of the territory of the Chartered Company f Mozambique (Manica e Sofala), with its capital at Beira, was ot affected by the above decree. In the company's territory the nit had for some time been the gold escudo, and the silver currency n use consisted of British, South African, and Portuguese coins. On July 29, 1932, Consul Alfred D. Cameron reported from Lou-enco Marques that the Chartered Company of Mozambique on June had announced that Portuguese silver coins would cease to circulate n its territory but would be replaced by silver notes in denominations f 1 escudo and 50, 20, and 10 centavos.

By the terms of Decree No. 70-A, issued under the monarchy on uly 30, 1897, and still valid, the importation of foreign silver coins s forbidden. However, a report made in March 1931 stated that British and South African silver coins circulated freely, particularly n and around Lourenco Marques, although they are not legal tender nd not accepted by Government offices.

Present employment of silver.—The estimated stock of silver coin n Mozambique at the end of 1931 was reported in pounds sterling s £3,000, of which £1,000 was in banks and £2,000 in circulation.

NETHERLAND INDIA

The monetary unit is the guilder (or florin), divided into 100 cents. The guilder has a par value of approximately $0.4020. The Dutch plural of guilder is gulden.

Present legal provisions.—Netherland India (also Dutch Guiana nd Curacao) have the parent country's monetary system, although pecial coins are in some instances supplied for colonial use.

The Indian Coinage Act of 1912 (as amended Nov. 27, 1919) makes he Dutch 2½-, 1-, and ½-guilder silver coins unlimited legal tender n Netherland India. (For weights and fineness, see Netherlands.) It also provides for special colonial 25- and 10-cent silver coins, which differ from the corresponding Netherland coins in that they weigh 3.18 and 1.25 grams, respectively, and are both 0.720 fine.[81]

[81] With regard to the enforcement of the act of 1919, the following is excerpted from James Laurence Laughlin's A New Exposition of Money, Credit, and Prices, vol. I, pp. 386–387. "On Nov. 27, 1919, the guilder of standard silver coins had risen beyond 95 percent of its face value of 100, so that a bill was introduced to mint new silver coins for Holland and the Dutch East Indies at a fineness of 0.720 instead of 0.945. Inasmuch as the bullion content of the silver coins (2.50, 1.00, and 0.50 florins) was overvalued, and could then be melted at a profit, the fineness of 0.945, as enacted in 1901 (Statute Book No. 132 of 1901) was lowered by the act of 1919 (Statute Book No. 786 of 1919) to 0.720 in order to prevent melting of the coins. The Government was authorized to withdraw the coins of higher fineness and issue those of lower fineness. This change was only partly carried out. But when, at the end of 1921, the master of the mint proposed to the Colonial Secretary to withdraw from the circulation of the Dutch

All coins of a value greater than one quarter of a guilder are unlimited legal tender, other coins are limited legal tender.

The Bank of Java, since June 1928, has been obliged to maintain a 40 percent reserve against its demand liabilities, the reserve permissibility including legal-tender silver and gold coins, foreign gold coin, and gold and silver bullion. On April 30, 1932, the note issue was 223,533,000 florins and the reserve was as follows (in florins): Gold coin, 35,830,000; foreign gold coin, 51,607,000; gold bullion, 15,082,000; Netherland India silver coins, 45,643,000; subsidiary coins, 258,000. (The note issue at the end of 1932 approximated 205,000,000 florins.)

Possibility of increased use of silver without new legislation.—Silver coinage is put into circulation chiefly through the medium of the Java Bank, which receives it in its capacity as depositary of public moneys. Some subsidiary coin usually is kept in the Government treasury, whence it is issued in response to local requirements; but the bank's holdings actually constitute the bulk of silver currency available for issuance to the public. In the absence of a branch mint in Netherland India it is impossible to meet unexpected demands for metallic currency by local coinage. The bank, therefore, considers it desirable to carry a considerable reserve of silver coin in the colony.[82]

Attitude toward silver.—The natives prefer silver coins to those of baser metals. Both Netherland and foreign coins of gold and silver are hoarded rather extensively in the islands. When domestic silver coin is taken out of hoarding, the Bank of Java's stock tends to increase. (See figures above.)

Present employment of silver.—Silver is the main circulating medium. On January 1, 1930, the circulation of silver was reported as being about 380,600,000 florins. Some silver coins of old issues, although not legal tender, are still in use. Straits dollars circulate to some extent on the east coast of Sumatra. There are no restrictions on the importation or exportation of silver coins or bullion.

Silver coinage struck for Netherland India in 1930 totaled 27,500,000 florins, and Netherland Indian silver coins withdrawn, over 26,280,000 florins. A report from The Hague in February 1933 stated that the Bank of Java at the end of 1932 held 46,105,190 florins in silver or about 11,500,000 fine ounces. The holdings of silver are currently published in the League of Nations' Monthly Bulletin of Statistics.

East Indies 6,000,000 florins of silver coins of the 0.945 fineness, and to replace them by those having the 0.720 fineness, the Royal Commission of 1921 vigorously objected on three grounds: (1) The difficulty in withdrawing all coins of 0.945 fineness; (2) the confusion of having two kinds of coins with different fineness for the same face value; (3) the danger of having coins with such low fineness as to stimulate counterfeiting. In fact, the Royal Commission already realized that the peak of the high price of silver had been passed in February 1920 and was now on the decline, and hence that the silver content of the coins would in the future be undoubtedly less in value than their face value. In that case there would be no danger of the coins being melted and becoming scarce. In this way the crisis arising from the extraordinary rise in the price of silver, and the disarrangement of the token silver coinage, was disposed of without reminting the coins. Therefore, the commission recommended the restoration of the old fineness of 0.945, since the danger from the increase in the value of silver had passed. Here again we have an illustration of the monetary wisdom and foresight of Dutch statesmen which has saved them from the ills into which other countries have fallen in dealing with silver."

[82] See Trade Information Bulletin No. 504, Currency Systems of the Orient, Washington, 1927, p. 19.

NETHERLAND WEST INDIES [83]

The monetary unit is the guilder (or florin), divided into 100 cents. The guilder has a par value of approximately $0.4020.

Present legal provisions.—See Netherlands.

Possibility of increased use of silver without new legislation.—See Netherlands.

Attitude toward silver.—See Netherlands.

Present employment of silver.—Silver coin in the banks and treasury of the Netherland West Indies at the end of 1931 totaled 351,652 guilders.

Silver currency in Surinam at the end of 1931 was estimated at 390,380 guilders, according to the United States Bureau of the Mint.

NETHERLANDS

The monetary unit is the guilder (or florin), divided into 100 cents. The guilder has a par value of approximately $0.4020. The Dutch plural of guilder is gulden.

Present legal provisions.—The coinage act of 1901, as amended to date, governs the monetary use of silver. That act codified the legislation of the preceding quarter century. The law provides for silver coins as follows: 2½-[84], 1-, and ½-guilder coins, 0.720 fine, weighing 25, 10, and 5 grams gross, respectively; and 25- and 10- cent pieces, 0.640 fine, weighing 3.575 and 1.4 grams. The first three coins mentioned are full legal tender. The other two are limited to 10 guilders in legal tender.

Prior to 1919 the 2½-, 1-, and ½-guilder coins were 0.945 fine. On November 27, 1919, an act was passed lowering the fineness of these coins to 0.720, the first new coins of this fineness being issued in 1922.

The 2½-, 1-, and ½-guilder pieces may be coined only for the account of the State to replace silver coins withdrawn from circulation. Subsidiary coins are minted only for the account of the State, for which purpose only metal obtained from State coins may be used. The use of silver bullion other than that obtained from melted Netherland coins is permitted only by royal decree, if such step is made necessary by the need for coins. Any sums needed to purchase silver bullion are inserted in the budget of the State expenditures fixed by law.

The Netherlands Bank may include silver in its reserve against demand liabilities. The reserve, which otherwise must be of gold, may not decline below 40 per cent.

Possibility of increased use of silver without new legislation.—Without a royal decree it would not be possible to increase the amount of silver in monetary use.

Attitude toward silver.—In connection with what has been said above, competent authorities at present do not see any need for invoking the royal decree just mentioned. In fact, it is stated that, if anything, circumstances point to a movement in the opposite direction, that is, toward decreasing the amount of silver in circulation.[84a]

In 1929 it was proposed to replace the larger silver coins by nickel ones, whereupon the Government appointed a committee to study the

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[83] Includes Curaçao and Surinam (Dutch Guiana).
[84] Called rijksdaalder.
[84a] See Addendum, p. 141.

subject. This committee, in July 1932, rendered an interim repo in which the majority of members gave their views as opposed t the proposal. The Government has indicated no intention to chan the Coinage Act of 1901. The public seems to prefer silver coins nickel.[85]

Present employment of silver.—The circulation of silver in th middle of February 1933 was estimated at 134,700,000 florins. (Th note issue of the Netherlands Bank was about 962,000,000 florins a the end of 1932.) There are still in circulation some of the old silv coins 0.945 fine.

At the end of 1931, of 138,731,000 florins of silver coin, 28,183,1 florins were in the central bank and treasury.

The ½-guilder coins are not in active circulation. During th World War currency notes known as zilverbons were issued becaus the public was hoarding coins. Although the notes were issued i various denominations, only those of one half guilder continue i circulation.

In 1930 silver coinage executed for domestic use totaled 31,000,00 florins, while silver coin withdrawn amounted to over 19,140,00 florins.

The Netherlands Bank in February 1933 was reported to hol about 26,540,000 florins in silver coins, the equivalent of 6,500,00 fine ounces. The Government of the Netherlands holds no silve

NEW CALEDONIA

The monetary unit is the French franc, divided into 100 centimes. The franc has a par value of approximately $0.0392.

Present legal provisions.—The French coinage system applies t New Caledonia.

Possibility of increased use of silver without new legislation.—See France.

Attitude toward silver.—See France.

Present employment of silver.—No silver at present circulates i New Caledonia.

NEW GUINEA, EASTERN (PAPUA)

The monetary unit is the Australian pound, divided into 20 shillings of 12 pence each. The pound has a par value of approximately $4.8666. At present it is on the sterling exchange basis at the ratio of approximately £125 Australian per £100 sterling. (See Australia.)

Present employment of silver.—At the end of 1930 the stock o silver money was £2,667.

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[85] The 1931 Report of the Director of the United States Mint (p. 172) quotes fro Samuel Montagu & Co.'s weekly Bullion Circular of August 20, 1930, as follows: "Th following extract, taken from the speech of M. Vissering, the president of the Netherlan Bank, at the annual meeting of that bank, hints at the possibility of yet another step i the 'flight from silver' which has been more or less continuous since the period of extrao dinary high prices obtaining just after the war. It will be remembered that th Netherlands was one of the first countries to reduce their silver coinage, a bill to th end being introduced by the Netherlands Government as far back as 1919 and becomi effective the following year. For the Netherlands and the Netherland East Indies th fall in the price of silver is especially of importance in view of the possible substituti of the larger silver coins by nickel media of payment. For, on the one hand, that fa causes the value of the guaranty, which, according to some, the present coins represe for the holder in view of their higher metallic value, constantly to diminish while on th other hand, the more the price of silver falls the greater will be the loss of the Gover ment should the silver coins be eventually converted into nickel. According to the annu report of the Netherlands Bank the stock of silver and subsidiary coin held by both th Netherlands Bank and the Bank of Java at the beginning of this year was 54,085,00 florins, a small proportion of which is presumably in smaller coins, for which nickel already used. (In this connection, see p. 141.)

NEW HEBRIDES, BRITISH AND FRENCH CONDOMINIUM OF

Present legal provisions.—British and French currency are legal nder in the New Hebrides. There are no French silver coins, but ritish and Australian silver coins are plentiful in the islands.

Possibility of increased use of silver without new legislation.—ee France.

NEWFOUNDLAND

The monetary unit is the Newfoundland dollar, divided into 100 cents. The Newfoundland dollar has a par value of $1.

Present legal provisions.—The monetary system, based on the New-undland dollar, is governed by an act passed January 7, 1895. hat act made all British coins legal tender.

The coinage order of March 30, 1917, authorized silver coins, as nown in the following table:

Denomination	Fineness	Gross weight in grams	Legal tender limit
cents	0.925	11.6638	$10.00
cents	.925	5.8319	10.00
cents	.925	4.6655	10.00
cents	.925	2.3328	10.00
cents	.925	1.1664	10.00

The order provided that old issues of Newfoundland coins con-nue to be legal tender. Silver coins may not be imported.

Attitude toward silver.—There is no indication that Newfound-nd intends to alter the present status of silver in its monetary ystem.

Present employment of silver.—No old issues of Newfoundland oins are now in circulation. A small amount of British currency normally to be found in use.

NEW ZEALAND

The monetary unit is the New Zealand pound, divided into 20 shillings of 12 pence each. The New Zealand pound has a par value of approximately $4.8666, but is at present depreciated, being pegged to the pound sterling at a rate altered from time to time. The present rate is approximately £125 New Zealand per £100 sterling.

Present legal provisions.—The coinage system is the same as that f the United Kingdom, the coins being minted for New Zealand y the royal mints in Australia and England. The silver coins are 500 fine. (For other details of the coinage, see United Kingdom.)

An order-in-council prohibiting the import or export of silver oins, except with the consent of the Minister of New Zealand Cus-oms, was passed on April 1, 1931. The Prime Minister stated that t had come to the knowledge of the Government that, on the one and, Australian silver coin was being brought into New Zealand nd, on the other hand, New Zealand silver coin, which is imperial oinage, was being sent to London for the purpose of avoiding the revailing high rates of exchange. Unless steps were taken to check he growing practice of shipping silver coin overseas, he said, there would either be a shortage of silver or the Dominion would be

flooded with Australian coins, not legal tender in New Zealand. The order-in-council was revoked on July 23, 1931, and a new one promulgated, effective the same day, continuing the prohibition with only minor exceptions as stated in the new regulations.

Possibility of increased use of silver without new legislation.—The monetary use of silver could not in practice be materially increased without important changes in the existing law. Theoretically, the use of silver coins might be increased by the withdrawal of 10-shilling notes now in circulation. It is estimated that there are from £250,000 to £300,000 of New Zealand 10-shilling notes outstanding. That these will be withdrawn is unlikely, for, when they were temporarily withdrawn by the banks in 1930—as a protest against the Government's action in increasing the tax on the banks' note circulation from 3 to 4½ percent per annum—there was a strong public outcry and ultimately the banks yielded to the demands of the public by reissuing the notes. (See United Kingdom.)

Attitude toward silver.—Apart from the creation of a New Zealand coinage system, as mentioned below, there is no indication that any legislation likely to affect the use of silver in New Zealand is under consideration, and the question has not been discussed politically. Undoubtedly New Zealand will take no action along this line unless the step is instituted by Great Britain. The attitude of the country seems to be definitely opposed to bimetallism, and it is considered unlikely that the existing legal-tender limit of £2 on silver coins will be increased.

In 1931 suggestions were made for the establishment of a mint in New Zealand. In view of the low prices at which silver and copper were obtainable, it was said that a very substantial saving could be made if the New Zealand Government established its own mint. A bill was introduced to that end by C. A. Wilkinson, M.P., who gave the following reasons for the proposed legislation:[86]

> The main reason for suggesting a state mint in New Zealand is that New Zealand should enjoy the full profit from the coins in place of Britain and Australia, whose coinage we are using here at the present time. Silver today is worth 1s. 1d. an ounce. Our present silver coinage to the value of 20s contains 2 ounces of silver, and a certain quantity of alloy. We pay 19s. in the pound. The profit on the transaction is undeniable, for my bill provides for the purchase and minting of the same coinage at 3s. in the pound.
>
> It is estimated we have in the Dominion copper and silver coins to the value of £1,500,000, and we also import from £40,000 to £60,000 worth of silver and copper coins. It is readily seen the saving would be immense.

According to a cablegram received from Assistant Trade Commissioner Eugene West, at Wellington, under date of March 8, 1933, a bill has been introduced to authorize the Minister of Finance to negotiate with the royal mint for a separate silver and copper coinage for New Zealand. On April 8, 1933, it was announced that the maximum amount of silver coin which may be taken out of New Zealand by travelers to the United Kingdom had been reduced from £10 to £5, and by travelers to other countries, from £5 to £2.

Present employment of silver.—One estimate places the silver coin in circulation at the end of 1930 at £1,000,000 sterling. Coin held in the six banks of issue of New Zealand on August 15, 1932, totaled

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[86] From a report by Consul General Calvin M. Hitch, Wellington, New Zealand, July 9, 1931.

5,471,000, compared with note issues outstanding amounting to ,988,000 New Zealand pounds. On March 28, 1932, the banks' eserves consisted 87 percent of gold and 13 percent of silver, accord- ng to the League of Nations' Monthly Bulletin of Statistics.

In August 1932 a report from Assistant Trade Commissioner Eugene West stated that during the preceding 10 months about 1,500,000 of specie, mostly gold, had been sent to England. Thus was that coin held by the banks declined from £6,972,000 on Octo- er 19, 1931, to the figure mentioned above. Mr. West added: "It as long been considered by many in New Zealand that too much netal was being held in the reserves here. As of March 31, 1931, pproximately 92 percent of the metallic reserve was gold. As of March 31, 1932, about 88 percent of the reduced reserve was in gold."

A press report from Wellington on April 19 stated that New Zealand banks had received notice from London that the Bank of England would no longer accept at par British silver coins shipped rom New Zealand or Australia.

NICARAGUA

The monetary unit is the cordoba, divided into 100 centavos. The cordoba has a par value of $1.

Present legal provisions.—Nicaragua's currency system is based on the monetary law of March 20, 1912, which became effective March 23, 1913. The National Bank of Nicaragua, owned by the Government, administers the currency. Both the right to issue notes, and the coinage of currency are entrusted to that institution.

The national bank is accorded "the preferential right to coin money of gold and silver or other metals or whatever money the Government agrees to put in circulation." No mention appears in the law as to the amount of silver which may be issued.

There are no restrictions on the movement of silver into or out of Nicaragua.

Details of the silver coinage, as given by the United States Bureau of the Mint, are shown in the following table:[87]

Denomination	Fineness	Gross weight	Legal tender limit
		Grams	*Cordobas*
Cordoba	0.900	25.00	10
0 centavos	.800	12.50	10
5 centavos	.800	6.25	10
0 centavos	.800	2.50	10

Possibility of increased use of silver without new legislation.—Under existing laws there is no limit imposed as to the amount of silver to be used for subsidiary currency.

Attitude toward silver.—No legislation is contemplated that would affect the monetary use of silver in Nicaragua.

According to Consul Samuel G. Ebling, the present amount of silver currency in circulation appears to meet the needs of the coun-

[87] Monetary Units and Coinage Systems of the Principal Countries of the World, p. 68.

try. The national bank reports that no complaints have been reg istered on this score, nor have any requests been received for a increased circulation of silver money. A preference is shown fo paper currency owing to its convenience. It is the general opinio that the use of silver currency will not be increased.

Present employment of silver.—The national bank reports tha silver money in circulation in Nicaragua is valued at 306,836 co dobas.

United States currency circulates in Nicaragua to a certain exten Nicaraguan coins are minted in the United States.

NORWAY

The monetary unit is the krone (crown), divided into 100 öre. The krone has a par value of approximately $0.2680.

Present legal provisions.—The coinage system is governed by th currency law of April 17, 1875, which has been several time amended by royal resolution. The most important amendment wa that of June 16, 1920, which permits the use of copper-nickel allo in the manufacture of subsidiary coin. Since 1920 no silver coi has been issued.

Possibility of increased use of silver without new legislation.— The question as to whether silver might be used again for Nor wegian coinage is difficult to answer. To restore the use of silve it would be necessary to have a royal resolution ordering the dis continuance of the present base-metal coins and the minting o silver coins based on the old law of 1875. The only possibility unde which such a resolution might be considered would seem to b through the introduction of a common system for the three Scan dinavian countries—Norway, Sweden, and Denmark. For the pres ent the uncertain exchange situation makes such an eventuality ver remote.

Attitude toward silver.—No legislation is in prospect which woul affect the monetary use of silver in Norway. There is no sentimen for bimetallism or the silver standard.

Present employment of silver.—Although no Norwegian silve coins circulate in Norway, some Swedish and Danish silver coin are in use, since all three countries are members of the Scandina vian Monetary Union. A supplemental convention of the latte dated March 22, 1924, discontinued the legal-tender status of th subsidiary coins of member countries except in the country of issu

Silver coin in circulation in Norway at the end of 1931 was re ported as 24,900,000 kroner.

NYASALAND

The monetary unit is the pound, divided into 20 shillings. The pound has a par value of approximately $4.8666.

British currency laws apply to Nyasaland. (See Northern Rho desia.)

Present employment of silver.—At the end of 1931 the estimate total of silver coin in Nyasaland was £330,448, divided £144,219 i circulation and £186,229 in the hands of the Government.

PALESTINE

The monetary unit is the Palestine pound, divided into 1,000 mils. The Palestine pound is pegged to the pound sterling and has a par value of approximately $4.8666.

Present legal provisions.—The general provisions of the existing ırrency laws as they relate to the monetary use of silver are set ıt in the Palestine Currency Order, 1927. That order provides for ʏo silver coins, both 0.720 fine—the 100-mil piece and the 50-mil ece. These weigh 180 and 90 grams, respectively, and are legal nder to the amount of £2.

Issuance of the currency is controlled by the Palestine Currency oard, with offices in London. The treasurer of Palestine is the ırrency officer representing the board in Palestine.

Possibility of increased use of silver without new legislation.—It possible for the authorities to issue additional silver coins without ew legislation, for the 1927 order does not limit the quantity, fine- ess, composition, and weight of silver coin of 100 mils and 50 mils circulation. The quantity of silver coin in circulation is deter- ined by the demand for such coin, and the composition of silver ›in is subject to the approval of the Secretary of State.

Attitude toward silver.—The Government favors the use of silver nly in a subsidiary capacity. No legislation designed to affect the onetary use of silver is known to be contemplated.

Present employment of silver.—At the end of 1932 silver coins in rculation totaled 287,000 Palestine pounds, made up of 1,450,000 00-mil pieces and 2,850,000 50-mil pieces.

PANAMA

The monetary unit is the balboa, divided into 100 centavos. The balboa has a par value of slightly more than $1.

Present legal provisions.—The monetary use of silver in the Re- ublic of Panama is regulated by article 330 of the Fiscal Code. hat article states that money cannot be issued except under special w of the Republic. The weights of the various silver coins are overned by law no. 84 of 1904, as amended in 1917 (law no. 62) nd in 1930 (law no. 73). Under the earlier laws the silver coinage nded to be exported as bullion, the Panamanian coins being re- laced in circulation by United States silver coins. In accordance ith special treaty between Panama and the United States, law 73 f 1930 authorized the issuance of coins of the same weight and neness as the corresponding American ones, with the result that ›day the Panama silver balboa has the same weight and fineness as ıe American standard silver dollar. The silver coins, which are ıll legal tender for all debts, public and private, are thus all 0.900 ne and have gross weights as folows: Balboa, 26.7296 grams; 50 ntavos, 12.5 grams; 25 centavos, 6.25 grams; and 10 centavos, 2.5 rams.

Decree No. 156, of September 20, 1932, on the coinage of silver ›ins reads as follows:

Considering: Firstly—That, after having placed in circulation the new silver nd nickel coins in pursuance of law no. 63 of 1917, there has been retired a rge amount of money consisting of old coins having no legal value as cir-

culating medium since July 31, last; Secondly—That the coins retired are to melted in order to be converted into coins in accordance with the laws in fo in this matter; and, Thirdly—That there is also a number of 2½-centesi nickel coins which, owing to their denomination and diameter being equal those of the 5-centesimo pieces, have been retired from circulation and m likewise be melted and recoined.

It is decreed:

Art. 1. Immediate coinage shall be undertaken of the amount of 78,000 balb in subsidiary silver coins, 0.900 fine, with the denominations, weights, a diameters provided in artcile 2 of law no. 63 of 1917:

	Balboas
½-balboa or 1-peso coins	31,500
¼-balboa coins	31,500
$\frac{1}{10}$-balboa coins	15,000

Art. 2. Immediate coinage shall be undertaken of the amount of 16,640 balb in 5-centesimo nickel coins.

Art. 3. The treasury department shall proceed to take immediate measu for melting and recoining, in accordance with the preceding articles, the sil and nickel coins deposited at present in the national bank.

Art. 4. The treasury department shall also take the necessary mesaures order that the guaranty fund for the parity of the national money may increased in the proportion required by the new issue of silver money, a the deposit shall be made not later than the date on which the new mo begins to circulate.

Possibility of increased use of silver without new legislation There is nothing in the law to prevent the issuance of additio silver coins.

Attitude toward silver.—The Government intends to issue t coins obtained from the recoinage of the demonetized old issues silver, amounting to 78,000 balboas, as provided in Decree No. 1 of 1932. Beyond this, no silver coins are likely to be issued any time in the near future, and no new legislation affecting t monetary use of silver is contemplated.

Present employment of silver.—In accordance with the terms the 1930 law, 532,000 balboas of silver currency have been issu namely: 200,000 1-balboa pieces, 300,000 50-centavo pieces, 448,0 25-centavo pieces, and 700,000 10-centavo pieces. Former silver co have been demonetized, a quantity of them having been recen recoined in the United States.

In order to guarantee the parity of the Panamanian silver co in circulation, the Government must keep on deposit with t Bankers Trust Company of New York City a fund equivalent 15 percent of the gold value of such coins. On October 31, 19 there was so deposited $77,400, or $2,400 short of the amount t should have been deposited, for the 532,000 balboas at present circulation. This shortage was to be made up and further depos made for the $78,000 about to be put in circulation as a result recoinage.[88]

It is noteworthy that American silver coins enjoy a wider c culation in Panama than do those of Panama. All major trans tions are conducted on the basis of American money, for there no Panamanian money in denominations higher than $1. Busin in the Republic, including banking and accounting, is on the ba of the United States dollar, even though the term "balboa" is us by purely domestic organizations.

[88] See pp. 75–76 of the memorandum presented by the Secretary of State of Panam the National Assembly in its ordinary session of 1932.

PANAMA CANAL ZONE

The monetary unit is the United States dollar, divided into 100 cents.

Present legal provisions.—The United States laws govern the e of silver as currency. The new Panamanian coinage is also gal tender, according to a public notice of the executive secretary the Canal Zone.

PARAGUAY

The monetary unit is the peso, divided into 100 centavos. The peso has a par value of approximately $0.0226.

Present legal provisions.—The existing currency laws make no rovision for the use of silver. There are no restrictions on the ovement of silver into or out of the country.

Possibility of increased use of silver without new legislation.—ew legislation would be necessary for the issuance of silver coins y Paraguay.

Attitude toward silver.—There is no prospect of legislation which likely to bring about the use of silver in the currency system.

Present employment of silver.—No silver is in circulation.

PERSIA

The monetary unit is the gold rial, divided into 100 dinars. The rial has a par value of approximately $0.2433.

Present legal provisions.—The law of March 18, 1930, expressed ersia's purpose of adopting the gold standard, but the country has een unable to do so as yet. The first coins minted in accordance ith this law made their appearance on March 21, 1932. Silver oins provided by this law as amended March 13, 1932, are shown n the table following:

Denomination	Fineness	Net weight
		Grams
rials	0.828	20.70
rials	.828	8.28
rial	.828	4.14
rial	.828	2.07

Silver pieces are legal tender without limit.

A provision of the law of March 13, 1932, obligates the Govern- nent to have in circulation silver coins in amounts equal to at least 50 percent of the notes in circulation. Against the notes and nickel coins in circulation a reserve must be kept in gold, silver, and foreign exchange.

There is no free coinage of silver. Persia is not on the silver tandard, even though the gold standard has not yet been adopted.

According to the currency law passed on March 13, 1932, "The exportation of gold and the importation of silver shall be effected with the special authorization of the Council of Ministers, through he national bank, whenever it may be deemed necessary to meet the established economic needs of the country." (By art. 3, par. 4, of

the new Persian exchange law of February 14, 1932, "the exportation of minted silver or silver bullion, unless with the authorization of the Government", is also forbidden.) The present Persian foreign trade monopoly law shows bar silver imports restricted.

Possibility of increased use of silver without new legislation.—It would seem that silver rial coins may be issued by the Government without limit, according to the law. Notes, which the law permits to be secured by silver, may be issued by the national bank to a total of 340,000,000 rials, according to article 5 of the 1932 law, with the proviso mentioned above, that the Government have in circulation 60 percent as much in the form of silver coin.

Attitude toward silver.—The recent monetary legislation described above is in keeping with the Government's plans to adopt the gold standard and use silver as a subsidiary metal, whose value in circulation will be ultimately determined by the value of the gold rial.

Present employment of silver.—In February 1932 it was reported that the Government would substitute rial coins for krans in the following manner: First, it would remint over 200,000,000 krans now in its possession or control. The resultant rials would then be used to retire an equal amount of krans now in circulation, and these coins in turn would then be cast into bars as security for the issuance of pahlevi notes of the National Bank of Persia equal to the value of this silver. (One pahlevi equals 100 rials.) The total stock of silver in Persia, including the above-mentioned 200,000,000 krans, was estimated at 550,000,000 krans.

The amendment to the 1930 currency law, passed on March 13, 1932, provided that the kran coinage should cease to be legal tender on September 23, 1932. Meanwhile the national bank was authorized to exchange these coins for rial currency. So far, however, the kran coins have been only partially displaced from circulation by the rial currency.[89] Accordingly it was recently announced in the press that krans would be legal tender until further notice.

The kran silver coins are described by the United States Bureau of the Mint in the following table:

Denomination	Fineness	Gross weight	Denomination	Fineness	Gross weight
		Grams			*Grams*
5 krans	0.900	23.0150	10 shahis (½ kran)	0.900	2.301
2 krans	.900	9.2060	5 shahis (¼ kran)	.900	1.150
1 kran	.900	4.6030	3 shahis	.900	0.575

PERU

The monetary unit is the sol, divided into 100 centavos. The sol has a par value of approximately $0.28.

Present legal provisions.—Although the par value of the sol was altered on two occasions in recent years, the silver coins now in use find their authority in law no. 4471 of January 27, 1922. That law provided for the issuance of 7,046,932 soles in sol and half sol pieces, 0.500 fine.[90] The coins were made legal tender to 100 soles

[89] Between March and October 1932 the Teheran mint turned out only 50,000,000 rials of new silver coins.

[90] The previous fineness was 0.900.

Law no. 4527 of September 28, 1922, authorized their issuance to a total of 23,000,000 soles.

The monetary law of April 18, 1931, limited the legal tender of 1-sol silver coins to 20 soles, and that of fractional silver coins to 5 soles. It also provided that in payment of taxes such coins shall be receivable at par without limit as to quantity.

The sol coin has a gross weight of 25 grams and the half-sol coin 12½ grams, these weights being based on the laws of February 14, 1863, and December 30, 1872.

The laws governing the central reserve bank (laws nos. 7137 of Apr. 18, 1931, and 7538 of July 1, 1932) contain two provisions giving the central bank important powers. Article 72, section 4 (as amended) provides that the Government will

> respect the judgment of the bank not to increase the circulation of fiduciary currency (i.e., coins of silver, nickel, copper, and other metals whose metallic value is substantially below their monetary value), when the directorate of the bank, with the affirmative vote of seven of its directors requests that such increase be not effected, on the grounds that the excess of fiduciary currency would render difficult the compliance of the bank's obligation to the public of maintaining the gold standard. In relation with this, section C of article 63 is likewise considered as contractual.

To avoid appreciation in the gold value of the Peruvian monetary unit, the Central Reserve Bank of Peru shall pay out its own notes on demand in exchange for:

> [Sec. C] Peruvian coins of silver and nickel, which now lawfully circulate, at par, without limit as to quantity, when said coins are presented for exchange for its notes in sums of 10 soles or multiples thereof, at the head office of the bank in Lima, and at all of the bank's branches.
>
> If, at the end of the year the board of directors of the bank, by an affirmative vote of seven or more members, shall declare that, in their judgment, the amount of silver and/or nickel coins in circulation is in excess of the requirements of trade and that the central reserve bank, in compliance with the requirements of this chapter, has been burdened with an excessive amount of such coins which it is holding in its vaults, the bank shall, as the agent of the Government and under the supervision required by law, break up and destroy said excess of coin, and, at the option of the Government, either sell in the market the metal proceeds thereof or turn them over to the Government. Any loss that may result to the bank from carrying out of the provisions of this paragraph shall be charged against the profits accruing to the Government under the provisions of article 77 of this law.

It will thus be seen that the Banco Central has a very effective veto power so far as any increase in the fiduciary currency is concerned.

According to the regulations governing the central bank, as amended in February 1933, the bank's notes and deposits must be secured by a 50 percent reserve of gold and gold-exchange, bank acceptances, and Peruvian silver coins, the latter not to exceed one tenth of the reserve.

Possibility of increased use of silver without new legislation.—Within the limits of the 1922 legislation the Government may issue 4,946,584 soles in silver, thus using approximately 1,988,000 fine ounces of silver.

Attitude toward silver.—There is no prospective legislation which is likely to affect the monetary use of silver. Early in 1932 it was said that the Government was considering the issuance of more silver. The present directorate of the central reserve bank is strongly opposed to any such increase. Therefore, although the Government in an extremity might bring pressure on the bank to consent to an increase in the silver coinage, such a step seems unlikely.

The central reserve bank can easily show that additional subsidiary currency is not necessary inasmuch as over 6,000,000 soles in silver are held in its vaults.

Silver is unquestionably preferred by the Indians, who compose the bulk of population in the highlands and trans-Andean sections of the country. On the other hand, even in prosperous times the need for circulating media, except in the mining sections, is not great; and present prices of the commodities raised in those regions are so low that the volume of silver and other fractional currency required is smaller than ever.

Present employment of silver.—Silver coins outstanding at the end of 1932 were reported as 18,053,416 soles, there having been no coinage during that year. From the figures in the following table may be traced the changes in the circulation of silver in recent years. While the country was on the gold-exchange standard the use of coins declined.

SILVER AND NICKEL COINS

[In thousands of soles]

End of—	Total outstanding	Held in central reserve bank	Held in other banks	Held by general public
1920	2,212	----------	1,195	1,01
1925	14,606	----------	1,079	13,52
1926	18,009	----------	894	17,11
1927	19,329	----------	952	18,37
1928	20,843	----------	1,132	19,71
1929	22,377	----------	1,654	20,72
1930	23,743	15	2,668	21,06
1931	24,053	4,718	1,265	18,07
1932 (Sept.)	24,053	6,019	601	17,43

The employment of silver on a large scale could only come about through the disappearance of the present gold reserve, and a complete breakdown of the present currency system. That this could happen in case of a long-drawn-out international conflict is undoubted. On the other hand the return to reasonably normal and profitable world raw-material prices would probably bring about the reestablishment of the gold-exchange standard in Peru, with silver occupying its present role as a subsidiary medium of exchange.

PHILIPPINE ISLANDS

The monetary unit is the peso, divided into 100 centavos. The peso has a par value of $0.50.

Present legal provisions.—The basic monetary law is that of March 2, 1903, which established the gold-exchange standard and, among other things, provided for additional subsidiary silver coins of various denominations.[91] By its terms, the peso silver piece is full legal tender, unless otherwise specifically provided by contract. The other silver coins are legal tender for not more than 20 pesos. The

[91] For a time following the World War (i.e., 1918–22) the gold-exchange standard was suspended in the Philippines, but was restored by Act No. 3058 of June 13, 1922, which separated the gold-standard and treasury-certificate funds.

recoinage act of June 23, 1906, lowered the weights and fineness of the silver coins.[92]

Philippine silver coins are as shown in the following table:

Denominations	Fineness	Gross weight
		Grams
peso	0.800	20
0 centavos	.750	10
0 centavos	.750	4
0 centavos	.750	2

According to Act No. 3058, approved June 13, 1922, Philippine coins—

at the request of the insular treasurer and with the approval of the secretary of finance and of the Governor General * * * may be coined in the amounts necessary to meet the legitimate demands of commerce.

The coinage may be executed in the mint of the Philippine Islands, or in any of the mints of the United States, by contract between the Government of the Philippine Islands and the Secretary of the Treasury of the United States, upon the recommendation of the secretary of finance and the order of the Governor General, for which purpose the reasonable cost of the work shall be paid. The secretary of finance, with the approval of the Governor General, shall prescribe the designs and inscriptions for said coins, showing that they are of the Philippine Islands, their value, and the year of coinage.

Philippine coins having greater weight or fineness than those prescribed herein, if paid to any Government office or treasury or to any bank doing business in the Philippine Islands, or Philippine coins mutilated or otherwise unfit for circulation, if paid into any treasury of the government, shall not be reissued but shall be retained for recoinage in accordance with this law.

According to the law, the treasurer of the Philippine Islands is authorized to receive silver pesos and half-pesos in sums of not less than 20 pesos, and issue treasury certificates therefor. These certificates are redeemable in silver pesos and half-pesos on demand. The reserve behind this money is known as the treasury-certificate fund. If at any time the government's supply of silver coin (other than in this fund) is insufficient to meet the legitimate demands for trade, United States gold coin or other United States currency may be substituted and silver coin released from the treasury-certificate reserve.

The Philippine National Bank, established in 1916, must keep a 33⅓ percent reserve against its note circulation, in lawful money of the Philippine Islands. Redemption of the circulating notes of the Philippine National Bank is guaranteed by the Government of the Philippine Islands by virtue of Act No. 3174 of November 24, 1924.

The administrative code of 1917 (Act No. 2711) provides:

SEC. 2710. *Unlawful exportation of coin or bullion.*—It shall be unlawful to export or attempt to export from the Philippine Islands any Philippine silver money coined under the authority of any law of the United States, or bullion made therefrom, except as such money may be carried away by departing travelers in ordinary course and in sums not exceeding 25 pesos or as such coin or bullion may be exported in the course of the lawful operations of the Philippine Treasury * * *.

[92] For the history of this legislation see Modern Currency Reforms, by Edwin Walter Kemmerer (New York, 1916).

SEC. 2711. *Unlawful importation of silver coin.*—It shall be unlawful to i port or to attempt to import into the Philippine Islands silver money not on gold basis, except as the same may be brought in by incoming passengers ordinary course of travel and in sums not exceeding 50 pesos for the first-cla passenger, 20 pesos for the second-class passenger, and 10 pesos for the thir class passenger.

No prohibition exists on the importation of foreign notes or sul sidiary coins other than silver.

Possibility of increased use of silver without new legislation.—A ditional silver coin may be issued whenever the government desire

Attitude toward silver.—No legislation is contemplated whic would affect the monetary use of silver.

Present employment of silver.—On November 29, 1932, money i circulation in the Philippines was as follows:

	Pesos
Issued:	
Silver pesos	21, 889, 67
Silver half pesos	6, 272, 49
Other silver subsidiary coins	9, 427, 42
Minor coins	2, 929, 12
Total	40, 518, 72
Less amount in treasury vaults pertaining to general and other miscellaneous funds:	
Silver pesos	16, 899, 97
Silver half pesos	3, 512, 17
Other silver subsidiary coins	1, 958, 43
Minor coins	174, 09
Amount estimated destroyed	100, 00
Total	22, 644, 67
Net circulation	17, 874, 04
Treasury certificates: Net amount in circulation	53, 163, 43
Bank notes: Net amount in circulation	9, 894, 02
Total net circulation, Nov. 29, 1932	87, 479, 68

Limited quantities of United States silver coins are in use.

Treasury certificates are issued against deposits of silver coi and gold. The treasury-certificate reserve therefore includes silver as the following statement for November 29, 1932, shows:

TREASURY CERTIFICATE FUND, BALANCE SHEET, NOVEMBER 29, 1932

ASSETS

	Pesos	
Cash		80, 670. 26

LIABILITIES

Reserve for treasury certificates outstanding		80, 670. 26
Cash in treasury vaults—	*Pesos*	
Silver pesos	3, 158, 288	
Silver half pesos	3, 184, 372	
		6, 342, 66
On deposit with authorized depositories in the United States		74, 327. 60

POLAND

The monetary unit is the zloty,[93] divided into 100 grosze.[94] The zloty has a par value of approximately $0.1122.

Present legal provisions.—The presidential decree of January 20, 1924, provided for silver 5-, 2-, 1- and ½-zloty pieces, the first mentioned 0.900 fine and the rest 0.835 fine. In accordance with these specifications, 2- and 1-zloty coins were struck in Paris, London, and the United States.

Decrees Nos. 789 and 790 of October 13, 1927, limited the coinage of silver, nickel, and copper to 320,000,000 zlote, of which by specific provision at least 140,000,000 zlote were to be of silver. It was provided, however, that the limit of 320,000,000 zlote[95] could be exceeded when deemed necessary by the Bank of Poland. Subsequently provision was made for the issuance of 2- and 5-zloty silver pieces weighing 10 and 18 grams, respectively, and not less than 0.500 fine. The coins as manufactured have these weights, the fineness of the 5-zloty coin being 0.750 and that of the 2-zloty coin 0.500.[96]

Decree No. 674 of August 20, 1932, demonetized the 1-zloty silver coin which had been authorized in 1924.

Decree No. 668 of August 27, 1932, authorized the minting of silver in three denominations, to be smaller in size than the silver coins then current. This decree limited the legal tender of the new silver coins. Details were specified as follows:

Denomination	Fineness	Gross weight	Legal-tender limit
		Grams	*Zlote*
10 zlote	0.750	22.0	1,000
5 zlote	.750	11.0	500
2 zlote	.750	4.4	100

Decree No. 798 of October 25, 1932, retired the 2-zloty silver coins which had been authorized in 1924, the demonetization to take effect January 31, 1933. The decree provided: "Beginning with July 1, 1933, and up to January 31, 1935, the aforesaid coins shall be changed and accepted in payment of all debts at official banks and branches of the Bank of Poland. The above obligation to exchange coins shall be void after January 31, 1935."

Decree No. 878 of November 30, 1932, provided that there be coined 5-zloty pieces.

The Bank of Poland is permitted to keep silver in its reserve against notes and other demand liabilities. Ordinarily the bank is expected to hold either 30 percent in gold or 40 percent in gold, foreign exchange, and silver. In this case silver may not exceed one twentieth of the gold held.[97]

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[93] Plural: "zlote."
[94] Singular: "groszy."
[95] Based upon 12 zlote per capita and the 1921 census of population.
[96] Monetary Units and Coinage Systems of the Principal Countries of the World, 1929, p. 75.
[97] Federal Reserve Bulletin, July 1932, p. 437.

Possibility of increased use of silver without new legislation.—Under the law of 1927, the maximum coinage may be increased "as the Government and the Bank of Poland recognize the necessity therefor."

Attitude toward silver.—Since the circulation of coin is based upon a limit of 12 zlote per capita and Poland's population is now estimated at 33,000,000, the total metallic circulation can be raised to 396,000,000 zlote. The Bank of Poland, whose approval of any increase is necessary under the 1927 law, is said to have given its consent to this increase. The same can be effected without the purchase of new silver, it is believed, through the substitution for existing coins of coins lower in fineness.

Should it become necessary to exceed the limit of 396,000,000 zlote, parliamentary authorization would probably have to be secured, even were the Bank of Poland to approve such step. Assurances have been given, however, that such an emergency is not likely to occur, at least in the immediate future, and that no further legislative projects are being considered which would affect, as to quantity of metal, the monetary use of silver.

Present employment of silver.—On March 31, 1930, the monetary stock of silver coins was reported as 65,604,165 zlote of 5-zloty pieces and 46,701,926 zlote of 2-zloty pieces, a total of 112,306,091 zlote. Apart from this, there was an unknown quantity of old 1-zloty coins, although these were in process of withdrawal. On June 30, 1932, the corresponding total was reported to be 183,300,000 zlote.

The active circulation of silver coins was, in June 1932, reported to be as follows:

Denomination	Thousands of pieces	Face value thousands of zlote
5 zlote	5,462	27,31
2 zlote	23,974	47,94
1 zloty	23,254	23,25
Total		98,51

This compares with a note circulation of 1,105,000,000 zlote. In February 1933 the Ministry of Finance reported that silver put to monetary use in Poland from 1924 to 1928, inclusive, totaled 19,843,438 fine ounces.

PONDICHERRY

The monetary unit is the British Indian rupee, divided into 16 annas. The British Indian rupee has a par value of approximately $0.365.

British Indian coinage is used in Pondicherry. Rupee notes are issued by the Banque de l'Indochine.

PORTUGAL

The monetary unit is the escudo, divided into 100 centimos. The escudo has a par value of approximately $0.0442.

Present legal provisions.—The provisions of the existing currency laws as they relate to the monetary use of silver may be found in

decrees 19869, 19870, and 19871, published in the Diario do Governo June 9, 1931, and taking effect July 1. Article 3 of decree no. 19869 provided for the substitution of silver coins for small notes of the Bank of Portugal, details to be fixed in a special decree. This decree, and article 2 of decree no. 19871, in providing that subsidiary silver money for use on the continent and adjacent islands shall be coined by the Portuguese Mint, specify the following silver coins, all limited to 200 escudos in legal tender:

Denomination	Fineness	Gross weight
		Grams
10 escudos	0.835	12.5
5 escudos	.650	7.0
2½ escudos	.650	3.5

The currency decree of June 9, 1931, directed that silver coins with a nominal value of 2½, 5, and 10 escudos, be issued for the account of the state in place of Bank of Portugal notes of like denominations, said coins to enter into circulation before December 31, 1933. The amount of the silver issue was to be fixed by an agreement between the Portuguese Government and the Bank of Portugal, and the coins were to enter into circulation through the Bank of Portugal.

Coinage and issuance (through the bank) of silver money are reserved to the State under the terms of article 3 of decree no. 19871.

Article 5 of decree no. 19871 reads as follows:

> The silver required for coinage of the money shall be acquired in public competition or through direct purchase by the treasury, and use shall be made of silver on hand in the bureau of minting and engraving, as well as of coin on deposit in the same, and of that which shall be called in, pursuant to the present decree.

Article 9 has to do with the calling in of old silver coins for reminting.

Possibility of increased use of silver without new legislation.—It is difficult to say to what extent silver coins may be issued without amending existing laws. Silver coins are to be issued in place of notes of the Bank of Portugal and, while no figures are available to show the coins already issued, the number of coins to be issued under authority of decree no. 19871 was as follows: 6,500,000 10-escudo pieces; 5,000,000 5-escudo pieces; and 4,000,00 2½-escudo pieces; a total of 100,000,000 escudos. These coins are all scheduled to be in circulation by the end of 1933.

It is believed that once the maximum of silver circulation authorized by decree no. 19871 has been reached, Portugal is not likely to employ further silver in its currency system unless special need arises. The following excerpt from a statement made by the Minister of Finance, relative to stabilization of the escudo in 1931, may be taken to illustrate the country's attitude toward the employment of silver in the currency system.

> The depreciation of the currency brought a certain inversion of functions, so that we have today Bank of Portugal notes—those of 2½, 5, 10, and 20 escudos—playing the role that, before our currency fall, was taken by metallic

money. This was one reason for the great insufficiency of the bank's circulation in the past, but it must not be so in the future, so that at least the notes of less value must be taken from circulation and complete the circulation with silver coin, indispensable for small payments. The preference the public shows for paper notes has up to now stopped the proposal of the substitution of 20-escudo notes, although they represent a real value inferior to the escudo or to the "milreis" previous to 1911. Even with this exception, the circulation of paper notes will be more correct, and this as well as metallic money will be correctly kept within their respective functions.

Attitude toward silver.—No legislation is contemplated which would affect the monetary use of silver in Portugal.

Present employment of silver.—Silver coins in circulation on October 31, 1932, were as shown in the following statement:

	Escudos
2½ escudos	5,480,000
5 escudos	2,000,000
10 escudos	23,000,000
10 escudos [98]	2,000,000
Total	32,480,000

On the same date the Bank of Portugal's note circulation was approximately 1,906,000,000 escudos.

PORTUGUESE GUINEA

The monetary system of Portugal applies to Portuguese Guinea.

REUNION

The monetary unit is the Reunion franc (franc réunionais), divided into 100 centimes. The par value of the Reunion franc is approximately $0.0392.

Present legal provisions.—There is no legal provision for the monetary use of silver.

Possibility of increased use of silver without new legislation.—New legislation would be necessary before silver could be put into circulation.

Attitude toward silver.—See France.

Present employment of silver.—No silver circulates in Reunion.

RHODESIA, NORTHERN

The monetary unit is the pound, divided into 20 shillings of 12 pence each. The pound has a par value of approximately $4.8666.

Present legal provisions.—In general, the British monetary system applies in Northern Rhodesia.

According to ordinance no. 25 of 1932, "An ordinance further to amend the bank notes and coinage ordinance, 1931", the Governor of Northern Rhodesia, with the advice and consent of the Legislative Council, promulgated the following enactment:

It shall be lawful for the Governor, with the approval of a secretary of state, to declare by proclamation that silver coins issued by the Government of the Colony of Southern Rhodesia and declared to be legal tender by that Government within the Colony shall be current in the territory, and the tender of payment in money in that territory, if made in any of those coins shall, if the coins have not been illegally dealt with, be a legal tender for any amount not exceeding £2 sterling in value.

[98] Special issue commemorating the Battle of Ourique.

The purpose of this ordinance was described by the Acting Attorey General late in 1932, as follows:

> The Colony of Southern Rhodesia has recently passed an act (no. 24 of 1932) npowering the Governor to issue gold, silver, bronze, and nickel coins. yasaland and this territory have agreed to make legal tender such Southern hodesia silver coins as are of sterling denominations.

According to The Gold and Silver Restriction (amendment) egulations 1932:

> No person shall export gold or silver in the form of coin to any destination yond the boundaries of the territory except (*a*) personal cash not exceeding in gold and £2 in silver in the possession of any one individual leaving ie territory; or (*b*) with the written permission of the Governor.

Government Notice No. 24 of February 22, 1933, entitled "The xportation of Gold and Silver Ordinance (chap. 120 of the Rised Edition)", provided for the cancelation of Government Notices os. 132 of 1931 and 2 of 1933.

Possibility of increased use of silver without new legislation.—he Governor may readily issue proclamations affecting the moneary use of silver.

Attitude toward silver.—The attitude of the Governor toward the ionetary use of silver is presumably in accordance with that of the British Government.

Present employment of silver.—Silver in the currency system is mited to subsidiary coinage.

RHODESIA, SOUTHERN

The monetary unit is the pound, divided into 20 shillings of 12 pence each. The pound has a par value of approximately $4.8666.

Present legal provisions.—In general the British monetary system pplies in Southern Rhodesia.

The Coinage Act (No. 34) promulgated June 3, 1932, went into ffect September 9, 1932. It provided that Southern Rhodesia, British, and Union of South Africa silver coins "of the present issue f current weight" should be legal tender to not over 40 shillings.

The schedule contained in the Coinage Act gives the following particulars concerning silver coins, and all such coins made for Southern Rhodesia must conform to this schedule.

Denomination	Fineness	Gross weight
		Grams
Half-crown	0.925	14.13795
Florin	.925	11.31036
Shilling	.925	5.65518
Sixpence	.925	2.82759
Threepence	.925	1.41379

In October 1931 an act limiting the export of gold and silver to £5 each for persons leaving the country was enacted. In May 1932, due to the serious drain of silver to the Union of South Africa, the limit on silver was reduced to £2 per person. When British silver was deprived of legal tender in the Union at its face value the inducement to export such coins from Rhodesia was removed. On

January 13, 1933, removal of the embargo on the exportation of silver coin (instituted in 1931) was announced.

Possibility of increased use of silver without new legislation.—According to the Coinage Act of 1932, the governor may cause to be made and issued silver coins of the denominations specified in the schedule to the act. Only the governor may order coinage or revoke or alter any proclamation previously issued regarding coinage.

Attitude toward silver.—The attitude of the governor toward the monetary use of silver is presumably in accordance with that of the British Government.

In 1933 a bill was introduced to repeal the Coinage Act of 1932. The bill would give the governor full power to issue coin and provides that he may make regulations—

(*a*) For the establishment of a "coinage fund" to provide for the rehabilitation or withdrawal of any issue of coins made under this act;

(*b*) Authorizing the payment of seigniorage to other colonies and British protectorates to which coins issued under this act may be exported and accepted as legal tender.

Present employment of silver.—In the latter part of 1931 there was a considerable shortage of subsidiary silver in Southern Rhodesia due to the profit to be made by shipping British silver coins into the Union of South Africa, whose currency stood at a premium in terms of the pound sterling. Following the enactment of the Coinage Act of 1932, a shipment of £30,000 of British silver coins was received from London, and £110,000 of Southern Rhodesian silver coins ordered from the royal mint in London.[99]

The coins of Southern Rhodesia bear distinctive designs.

At the end of 1931 total silver in Southern Rhodesia was estimated at £440,000, of which £400,000 was in circulation and £40,000 in banks.

RIO DE ORO

The monetary system of Spain applies to Rio de Oro.

RUMANIA

The monetary unit is the leu (plural lei), divided into 100 bani. The leu has a par value of approximately $0.006.

Present legal provisions.—For a number of years prior to 1932 no silver circulated in Rumania. A comparatively small amount of silver currency was issued under the law of April 17, 1880, as amended in 1886, 1901, and 1925. During the German occupation all silver coins found were confiscated and there followed a period of years when no silver coins circulated, although a limited amount remained in peasant hoards.

The general monetary law, which dates from February 7, 1929, was amended December 19, 1931, to provide for the issuance of 100-leu silver coins to a total of 1,840,000,000 lei, the coins to weigh 14 grams, 0.500 fine, and to be legal tender in payments not exceeding 5,000 lei. These coins were issued by the Ministry of Finance in September 1932.

The 1931 law further provided that silver coins minted prior to 1916 should no longer be legal tender, but that they should be re-

[99] Chargé d'Affaires Ernest L. Ives, Pretoria, Sept. 20, 1932.

deemable at the national bank at the market value of their silver content.

Possibility of increased use of silver without new legislation.—No additional silver could be issued without new legislation.

Attitude toward silver.—No legislation which would increase the use of silver is planned. The peasants seem to prefer silver to paper money and hoard it, but other classes show no preference for the metal.

Present employment of silver.—The 1,840,000,000 lei of silver in circulation represent approximately 4,141,000 fine ounces of silver. The silver circulation compares with the National Bank of Rumania's note issue of approximately 20,974,000,000 lei in November 1932. Other coin in circulation on March 15, 1930—the latest information available—approximated 433,000,000 lei.

During 1932 the French mint struck 2,000,000 100-leu silver pieces for Rumania.

SALVADOR, EL

The monetary unit is the colon, divided into 100 centavos. The colon has a par value of approximately $0.50.

Present legal provisions.—The present silver coinage is governed by the legislative decrees approved September 11, 1919, July 16, 1920, and March 10, 1921. Prior to the enactment of the decree of 1919 there were in circulation silver 5-, 10-, 20-, 25-, 50-, and 100-centavo coins. The latter decree provided that the 5-, 10-, and 20-centavo silver coins then in use should continue to circulate as subsidiary currency but did not mention the 25-, 50-, and 100-centavo denominations. The change from silver to a gold basis was covered by articles 3 and 4 of the decree. Article 3 provided: "The new standard being gold, the present national or foreign silver currency is hereby declared demonetized."

With respect to the use of silver as legal tender in making payments of any kind, article 8 of the decree of 1920 provided that national silver in 20-, 50-, and 100-centavo denominations must be accepted up to 10 percent of any payment, but it did not mention the 5-, 10-, and 25-centavo coins. Furthermore, it provided that the national treasury and other fiscal offices must accept any quantity of silver in payment of taxes or duties. However, article 2 of the 1921 decree provided for the reinstatement as legal tender of all the 5-, 10-, 20-, 25-, 50-, and 100-centavo silver coins which had been in use since before 1910 until the coining of the subsidiary denominations mentioned in the decree of 1919 should be effected.

All six denominations remain in use today; the old issues of Salvadorean silver coins are now legal tender and are accepted everywhere in El Salvador on a parity with the newer coins.

The fineness and the net weight in grams of the Salvadorean silver coins in use at the present time are shown in the following table:

Denomination	Fineness	Net weight	Denomination	Fineness	Net weight
		Grams			*Grams*
100 centavos	0.900	25.00	20 centavos	0.835	5.00
50 centavos	.900	12.50	10 centavos	.835	2.50
25 centavos	.835	6.25	5 centavos	.835	1.25

The coinage of the 25-centayo piece was authorized sometime before 1910, and of the others about 1892.

American silver money was declared legal tender for El Salvador by article 10 of the 1920 decree and it has been stated by local authorities that it must be accepted up to 10 percent of any payment on the same basis as Salvadorean silver money. At present American silver coins circulate in El Salvador to only a very limited extent.

A definite limitation appears to have been placed on the coining of silver in El Salvador by article 9 of the 1920 decree, which provided that such coinage shall not exceed 10 percent of the total fiduciary circulation.

The general provisions of the existing currency laws, as they relate to the monetary use of silver, are to be found in the 1926 publication of the "Constitución y Códigos de la República de El Salvador", on pages 748 to 761. The volume contains the basic legislative and executive decrees on the subject.

Possibility of increased use of silver without new legislation.—It is believed that approximately 100,000 fine ounces troy of silver could be minted and issued without amending the existing laws.

Attitude toward silver.—So far as is known there is no prospective Salvadorean legislation which would affect the monetary use of silver. The general public does not seem adverse to the use of silver in the Salvadorean monetary system, except for its opinion that the present coins are cumbersome. The authorities are thought to favor the increased use of silver.

Present employment of silver.—The amount of Salvadorean silver coin in circulation in El Salvador in 1932 (believe to be on Dec. 31) was 1,078,142 colones, and the note circulation on that date for the three Salvadorean banks of issue was 12,277,255 colones; that is 8.8 percent as much silver as notes. Some United States silver coins also circulate. There are no restrictions on the importation and exportation of silver ore, bar, or coin.

SAMOA, WESTERN

The monetary unit is the New Zealand pound, divided into 20 shillings of 12 pence each. The New Zealand pound has a par value of approxmately $4.8666, but is at present depreciated, being pegged to the pound sterling at a rate which is altered from time to time.

New Zealand's currency system applies to Western Samoa.

SAN MARINO, REPUBLIC OF

The monetary unit is the Italian lira, divided into 100 centesimi. The par value of the lira is approximately $0.0526.

Present legal provisions.—The Republic of San Marino has monetary agreements with Italy and with Vatican City. Both are similar to the agreement between Italy and Vatican City (cited under Vatican City). The Italy-San Marino agreement, however, differs in one respect, providing:

The Republic of San Marino shall cease minting nickel and bronze coins, and the amount of silver coins minted during 1931–33 shall not exceed 2,100,000 Italian lire or 700,000 for each year.

The Government of the Republic binds itself to retire from circulation its former silver and bronze coins, within a month of the date on which the present agreement is signed, and before the new coins are delivered by the royal mint at Rome.

The royal mint binds itself to supply the silver necessary for the coinage during 1931–33 at the market price.

Possibility of increased use of silver without new legislation.—New silver coins may be issued within the limits defined above.

Attitude toward silver.—No new legislation affecting the monetary use of silver has been reported under consideration.

Present employment of silver.—The last previous coinage of San Marino was in 1905. It speedily passed into the hands of numismatists, and thereafter Italian coins circulated exclusively.

Of the new silver coinage under the 1931 agreement, Consul Joseph Emerson Havin reported from Florence that the first lot to be issued would consist of 250,000 lire of 5-lira pieces, 250,000 lire of 10-lira pieces, and 200,000 lire of 20-lira pieces. This lot is to be placed in circulation by the end of 1933.

SARAWAK

The monetary unit is the Straits dollar divided into 100 cents. The par value of the Straits dollar is approximately $0.5678.

Present legal provisions.—Although Straits dollar currency is used, special Sarawak silver coins are issued in denominations of 20 and 50 cents, 0.400 fine, and weighing 80 and 160 grains, respectively.

Importation of foreign currency, other than that of the Straits Settlements, has been prohibited since the promulgation of order XV of July 31, 1908.

Attitude toward silver.—No intention to alter the present monetary use of silver in Sarawak has been reported.

Present employment of silver.—The total monetary circulation of Sarawak, metal and paper, at the end of 1931 was reported at 2,178,000 Straits dollars, according to the United States Bureau of the Mint.

SIAM

The monetary unit is the baht, divided into 100 satang or 4 salung. The baht has a par value of approximately $0.4424.

Present legal provisions.—The Currency Act of 1928 (B.E. 2471) made gold the standard of value. The silver tical continues to be unlimited legal tender, but its name is changed to "baht." This act also provided for 50-satang and 20-satang silver pieces which are legal tender in amounts not exceeding 5 bahts.

The Currency Amendment Act of 1931 (B.E. 2473) provided for the sale of demonetized silver. This amendment made it lawful for the finance minister to sell any portion of the baht coins held in the reserve and provided that gold or gold exchange should be purchased with the proceeds of any such sale and should be held in the reserve.

The silver coins provided for in the 1928 law and the regulations based thereon are as follows: The 1-baht piece, weighing 15 grams, 0.900 fine; the 50-satang piece, weighing 7.5 grams, 0.650 fine; and the 25-satang piece, weighing 3.75 grams, 0.650 fine.

Possibility of increased use of silver without new legislation.—Definite information on this point cannot be given, as the text of the law is not available.

Attitude toward silver.—There seems to be no likelihood of increased monetary employment of silver. In fact, for sometime the tendency has been in the opposite direction. Under the existing law quoted above, the Minister of Finance has authority to dispose of the silver coins now held in the reserve, and this would appear to be a far more likely development than to have new silver coins minted for use in circulation.

Present employment of silver.—The silver baht coin has not been minted for sometime and has largely disappeared from circulation. Subsidiary silver coins, however, are in quite common use in the country districts.

At the time of the promulgation of the Currency Amendment Act of 1931, the Government had substantial quantities of baht coins on hand, which were carried in two accounts. About 50,000,000 of these silver baht coins were included in the currency reserve and another substantial sum was carried separately in the treasury. Following the above amendment which authorized the sale of silver coins, about 20,000,000 fine ounces were disposed of from the treasury account. The shipment was forwarded to London in September 1931 and disposed of in the silver market. There remained in the treasury's note reserve, as of the end of December 1932, 43,372,064 baht coins and, except for a minor amount of silver remaining in circulation in the form of baht and subsidiary coins, it is presumable that this represents the extent of the monetary use of silver in Siam at the present time. (The stock of silver compares with a note circulation of over 114,832,498 bahts on December 31, 1932. In addition, over 24,100,000 bahts of notes were held in the treasury.)

The 43,372,064 bahts mentioned above contain approximately 18,825,000 fine ounces of silver.

SOUTH WEST AFRICA, BRITISH MANDATED TERRITORY OF

The monetary unit is the pound divided into 20 shillings. The pound has a par value of approximately $4.8666.

Present legal provisions.—Proclamation No. 3 of 1922 made all British and Transvaal coins legal tender in the Territory of Southwest Africa, silver coin to be legal tender in amounts not exceeding 40 shillings.[1] Transvaal coins were defined as coins struck at the Pretoria mint by the Government of the South African Republic. Union of South Africa coins were included by Proclamation No. 13 of 1925.

The parity of the currency of the mandated territory was defined by the Union of South Africa Coinage Act (no. 31) of 1922.

According to Proclamation No. 26 of 1932, published November 1—

> Any person introducing into the territory, or any person receiving, after introduction into the territory, from any country other than the Union or the Bechuanaland Protectorate, any silver coin current in the Union which was not struck at the mint of the late South African Republic or at the Pretoria

[1] This limit was reaffirmed in Proclamation No. 13 of 1925.

branch of the royal mint, shall pay as a tax thereon a sum equal to the difference between the face value of such coin calculated according to the currency of Great Britain and Northern Ireland and such face value calculated according to the currency of the Union at the rate of exchange quoted by the South African Reserve Bank for the telegraphic transfer of money from the Union to London on the day of introduction of such coin: *Provided*, That any person entering the territory as a bona fide traveler who has not previously entered the territory within a period of 14 days prior to the first-mentioned entry may bring with him into the territory free from such tax a quantity of such silver coin representing, according to its face value, a sum not exceeding 40 shillings.

For other details, see Union of South Africa.

Possibility of increased use of silver without new legislation.—See Union of South Africa.

Attitude toward silver.—See Union of South Africa.

Present employment of silver.—At the end of 1931 the banks held £28,036 in silver coin and £80 in silver bullion. (See Union of South Africa.)

SPAIN

The monetary unit is the peseta, divided into 100 centimos. The peseta has a par value of approximately $0.193.

Present legal provisions.—According to the law of October 19, 1868, the 5-peseta pieces therein authorized are full legal tender on the same basis as gold. Other Spanish silver coins are legal tender in amounts not exceeding 50 pesetas. The minting of 5-peseta pieces was discontinued by a law passed in 1901 (striking of the coins had in fact ceased in 1899). Since 1878 silver has been coined only for the account of the State.

Details of the silver coinage are shown in the following table:

Denomination	Gross weight	Fineness	Amount coined from 1868 to April 1, 1930 (millions of pesetas)
	Grams		
5 pesetas	25.0	0.900	1,052.2
2 pesetas	10.0	.835	156.3
1 peseta	5.0	.835	109.5
½ peseta	2.5	.835	14.5

The Bank of Spain's legal reserve against notes may include silver as well as gold and gold exchange. For a note issue not exceeding 4,000,000,000 pesetas the minimum reserve must be 45 percent, and above 4,000,000,000 pesetas, 60 percent. Silver in the reserve may not exceed 5 percent of notes up to 4,000,000,000 pesetas or 10 percent of notes in excess of that sum.[2]

Possibility of increased use of silver without new legislation.—There seems to be no possibility of extending the monetary use of silver in Spain under existing legislation.

Attitude toward silver.—There is no legislation in early prospect affecting the monetary use of silver. In 1931 there was passed the law of banking ordination, in which the possibility of eventual adoption of the gold standard and of revalorizing the peseta

[2] Federal Reserve Bulletin, July 1932, p. 438.

was indicated. Since the suspension of the gold standard by England and other countries, talk of changing Spain's currency system has ceased, and there is no indication of an early return to the subject.

A serious problem exists in the large stock of silver held in Spain. Considerably over 1,000,000,000 pesetas in silver coins have been minted, and estimates place the amount of these coins now in the country at around 1,000,000,000 pesetas. The coins consist mostly of legal tender 5-peseta pieces, the great bulk being held by the Bank of Spain. Thus, in January 1933 the bank's silver holdings amounted to 610,000,000 pesetas. (This compared with a note circulation of 4,789,000,000 pesetas.) The excessive stocks of silver coins always lying in the Bank of Spain's vaults indicate that Spain has more silver than necessary.

Since the law requires that 5-peseta silver pieces be accepted on the same basis as gold coins, the Bank of Spain in practice does not redeem its notes in gold, but in silver coin. Hence, actually, the peseta is valued at a considerable discount from par.[3]

Present employment of silver.—(See above.) Spain produces a moderate amount of silver. The output was 2,700,000 fine ounces in 1930 and 3,100,000 in 1931.

STRAITS SETTLEMENTS

The monetary unit is the Straits dollar divided into 100 cents. The par value of the Straits dollar is approximately $0.5678. The Straits dollar is employed not only in the Straits Settlements and the Malay States but also in Sarawak, Labuan, and Borneo.

Present legal provisions.—The Straits dollar, weighing 20.2177 grams 0.900 fine, was established by an order-in-council of the British Government on February 2, 1895. This coin was by the same order made unlimited legal tender, and various limited-legal-tender coins were provided. In 1906 the 50-cent piece was also made unlimited legal tender. All smaller current silver coins are legal tender in amounts not exceeding 2 dollars.

In 1918, 1919, and 1920 the fineness of the various silver coins was successively reduced, but the old coins were permitted to continue in circulation until withdrawn.[4]

Details of the silver coinage at present circulating are as follows:

Denomination	Gross weight	Fineness	Denomination	Gross weight	Fineness
	Grams			*Grams*	
1 dollar (old)	20.2173	0.900	10 cents (old)	2.7151	0.800
1 dollar (new)	16.8478	.500	10 cents (old)	2.7151	.600
50 cents (old)	10.1086	.900	10 cents (new)	2.7151	.400
50 cents (new)	8.4239	.500	5 cents (old)	1.3575	.800
20 cents (old)	5.4308	.800	5 cents (old)	1.3575	.600
20 cents (old)	5.4308	.600	5 cents (new)	1.3575	.400
20 cents (new)	5.4308	.400			

[3] The following is reprinted from Trade Promotion Series No. 139, The Silver Market, pp. 64–65, issued by the Bureau of Foreign and Domestic Commerce:

"Fluctuations in the amount of silver held by the Bank of Spain are attributed to absorption by hoarding. The latter phenomenon was reflected in a demand for bank notes. To prevent—at least, in part—this tendency of the note issue to increase, the Bank of Spain in 1931 initiated a policy of making one tenth of its out payments in the form of silver pesetas."

[4] For details of these steps, see Monetary Units and Coinage Systems of the Principal Countries of the World, 1929, p. 80.

By an executive order in 1906 the Straits dollar was made equivalent to 28 pence.

All silver coins are issued by the Currency Commissioners of the Straits Settlements. The commissioners are obliged to exchange on demand the dollar and half-dollar pieces for notes whenever tendered. The commissioners are also obliged to maintain a minimum reserve of silver amounting to 10 percent of the notes in circulation. At the end of September 1931 the legal tender silver in the reserve amounted to over 28 percent of the note circulation.

Possibility of increased use of silver without new legislation.—Issuance of more silver is within the power of the currency commissioners.

Attitude toward silver.—No legislation likely to affect the monetary use of silver in British Malaya has been reported.

An increase in the use of silver money would depend almost entirely upon general trade and economic conditions and the attitude of the public toward silver coins. The fluctuation in the quantity of silver money in use varies with demand. Many years ago when notes were first introduced, difficulty was experienced in getting the natives and the local Chinese to accept them in lieu of silver. This sentiment against paper currency has not only been overcome, but has changed into a distinct preference for the paper. This fact, as well as the business depression, is reflected in the decrease in the use of the Straits silver dollars and 50-cent pieces, which on September 30, 1929, had a gross circulation of 6,415,312 Straits dollars and on September 30, 1931, 4,396,917 Straits dollars, a shrinkage during 2 years of approximately 1,000,000 Straits dollars per annum. Meanwhile a large supply of dollar and 50-cent silver coin is held by the Government in the currency reserve.

The principal way in which the amount of silver used as currency in Malaya might be extended would be to increase the fineness of subsidiary coins, but such a step is not at present anticipated. The quantities of subsidiary coins held by the treasury and in circulation are considered sufficient for many years to come, even under normal trade and economic conditions. With the present depressed state of the rubber industry and a general curtailment in all lines of business, the demand for subsidiary silver coins is showing considerable decrease.

The 10- and 25-cent notes in circulation in the Straits Settlements are being withdrawn, but their replacement by silver would not consume much of the metal. The 6,900,000 Straits dollars of 10-cent notes circulating on September 30, 1931, constituted only 1.12 percent of the total note issue. The 141,000 Straits dollars of 25-cent notes outstanding were but six one-hundredths of 1 percent of the total.

Present employment of silver.—Very little Straits Settlements silver is in circulation. On September 30, 1931, the currency circulation was as follows, in millions of Straits dollars:

Unlimited legal tender:	
Currency notes	60.9
Bank notes	0.1
Dollar and half-dollar silver coins	4.4
Total	65.4

Limited legal tender:	
Currency notes	0.7
Subsidiary silver	9.6
Minor coin	2.4
Total	[5] 12.8
Grand total	78.2

Gross circulation is represented by 4,400,000 Straits dollars. Subtracting the amount of dollar and 50-cent coins held by the treasury, the total is reduced to approximately 4,211,000 Straits dollars, of which the banks held some 147,000. Regarding the 9,600,000 Straits dollars of subsidiary silver, the currency department states that this figure is purely nominal, since large quantities of 0.800 fine coin have been exported or melted down by the public. The total just cited excludes subsidiary silver held by the treasury and is made up as follows:

	Straits dollars
Coin 0.800 fine	3,762,000
Old coin 0.600 fine	1,952,000
Coin 0.400 fine	1,482,000
New coin 0.600 fine	2,424,000
Total circulation, September 30, 1931	9,620,000

Issuance of silver coins 0.600 fine has led to a decline in the circulation of nickel coins.

With reference to the table given above, it should be noted that the 0.900-fine Straits dollar has been largely replaced by the 0.500-fine dollar. The currency report for 1930–31 showed that over 19,000,000 Straits dollars in 0.900-fine coins had been received from the mint. Of that sum, almost 13,520,000 Straits dollars had been sold or used for reminting, about 1,768,000 were held by the commissioners on September 30, 1931, and the remaining 3,719,000 were (nominally) in circulation. Of the 17,393,000 Straits dollars of 0.500-fine dollar and 50-cent silver coins received from the mint, only 678,000 were in circulation on September 30, the rest being held by the commissioners, who on that date thus held a total of over 18,483,000 in full-legal-tender silver coin, while the public held 4,397,000.

The report of the currency commissioners for December 1, 1932, showed the following selected items:

	Straits dollars
Currency notes in circulation	68,489,000
Total currency guaranty fund	133,244,000
Legal-tender silver held in the guaranty fund in the colony (face value)	19,259,000

It is of interest to note that considerable quantities of silver coins are used by the public in trade, i.e. melted down and converted into jewelry, bowls, vases, and the like.

SWEDEN

The monetary unit is the krona (plural, kronor), divided into 100 öre. The krona has a par value of approximately $0.2680.

Present legal provisions.—The coinage is governed by the monetary law of May 30, 1873, as amended to date. By the 1873 law Sweden

[5] Due to abbreviation of the items, the summation does not agree with the total.

became a member of the Scandinavian Monetary Union. Silver coins were made subsidiary to the gold krona, and until 1924 circulated interchangeably with those of Norway and Denmark. By a convention of March 22, 1924, the subsidiary coins of the union were restricted as limited-legal-tender coin to the country of issue.

The present currency law, insofar as it applies to silver, provides for coins as follows:

Denomination	Fineness	Gross weight	Legal tender limit [1]
		Grams	*Kronor*
2 kronor	0.800	15.00	20
1 krona	.800	7.50	20
50 öre	.600	5.00	5
25 öre	.600	2.42	5
10 öre	.400	1.45	5

[1] Fractional money is received by the treasury without limit.

Possibility of increased use of silver without new legislation.—There are no legal limits to the Government's right to mint silver coins.

Attitude toward silver.—No official proposal to amend the existing currency law has been made. The public prefers the present small-denomination notes to coins. There is no agitation in Sweden to increase the use of silver coins and no change in this respect is likely in the near future.

Present employment of silver.—At the end of 1928 (the latest date for which the information is available) coins outstanding, in millions of kronor, was reported as follows:

Silver:	
2 kronor	9.8
1 krona	22.3
50 öre	4.4
25 öre	8.7
10 öre	6.6
Total silver	[6] 51.8
Gold	93.6
Minor coin	6.9
Grand total	[7] 152.4

The above figures compare with the total note issue of the Bank of Sweden amounting to approximately 598,000,000 kronor at the end of 1932. "Silver, etc.", held in the Bank of Sweden at the end of 1931 totaled 4,193,982 kronor. (The 1931 note-issue figure is given as approximately 582,700,000 kronor.)

[6] It is believed that considerable amounts of 1- and 2-kronor silver coins were melted during the war and hence no longer exist as coin. Moreover, some of the coins included in this total are in circulation in Norway and Denmark, notwithstanding the 1924 convention. Coinage of silver from 1873 to 1931, minus withdrawals by the mint, totaled 58,184,000 kronor.

[7] The difference between this total and the summation of the items is due to abbreviation of the latter.

SWITZERLAND

The monetary unit is the Swiss franc, divided into 100 centimes. The franc has a par value of approximately $0.1930.

Present legal provisions.—The currency law of June 3, 1931, which became effective September 9, 1931, governs the monetary use of silver. It provides for silver coins as shown in the following table:

Denomination	Fineness	Gross weight	Legal tender limit
		Grams	*Francs*
5 francs	0.835	15.0	100
2 francs	.835	10.0	100
1 franc	.835	5.0	100
½ franc	.835	2.5	100

According to article 2 of the law of 1931, coinage is made the prerogative of the Federal Government, which is charged with the duty to "maintain the supply of federal money". Article 6 states that the public offices (caisse publiques) of the confederation and cantons, as also the Swiss National Bank, must accept all forms of Swiss money without limit as to amount.

The amount of silver coin in circulation is governed by articles 8 and 10, which read:

ART. 8. The federal treasury puts into circulation the necessary amounts of silver, nickel, and bronze money, and withdraws amounts deemed to be superfluous.

It creates a reserve of such moneys as may be considered necessary.

ART. 10. The federal budget shall state the amount of each metal to be minted into currency.

Possibility of increased use of silver without new legislation.—In view of article 10, the minting of additional silver cannot take place without new legislation. Minted coin now in the reserve, however, may be put into circulation without new legislation.

Attitude toward silver.—For the present the above-mentioned reserve consists of "at least 10,000,000 francs in nickel and silver." The sum as now determined cannot be increased without an amendment to the law, and there is no early prospect of such an amendment. In determining the coinage from year to year the confederation relies upon the advice of the Swiss National Bank.

When the measure to reduce the large 5-franc pieces to their present size was under consideration, the question was also debated of substituting some other metal for silver in some of the smaller coins. The mere suggestion aroused a storm of protest, the general public interpreting the plan as one to lessen the value of their money. Rather than enter into an elaborate educational campaign, the authorities thought it wiser to drop this suggestion, and silver 2-franc, 1-franc, and half-franc coins remain in circulation.

Present employment of silver.—Silver currency in circulation in Switzerland at the end of 1931 amounted to 158,979,505 Swiss francs, subdivided as follows:

	Francs
5-franc pieces, large	69,363,300
5-franc pieces, small	17,600,000
2-franc pieces	26,788,772
1-franc pieces	29,751,834
½-franc pieces	15,475,599
Total	158,979,505

The figures for 1932 will not be released until sometime in July. It is not believed, however, that they will materially differ from those for 1931. In 1929 silver coin in circulation totaled 150,599,006 Swiss francs, and in 1930, 149,861,505 francs. That the 1931 figure showed an increase was probably due to the issuance of the new small 5-franc pieces, and also to the fact that nationals of neighboring countries, fearing that their currencies would be divorced from gold, took to hoarding Swiss notes, following which, the Swiss Government increased the coinage of silver.

Commercial Attaché Donald Renshaw, in March 1933, reported that neither the national bank nor the federal treasury had any appreciable amount of bar silver. The mint holds a certain necessary amount for normal coinage purposes and industrial concerns usually have some silver on hand. It is generally considered, however, that neither of these holdings is large, as the Government only lately reduced the size of the 5-franc piece, while the demand for silver for watch cases has greatly decreased, due to the comparative inactivity of the watch-making industry.

Imports of silver into Switzerland during the past 3 years were as follows, the 1931 increase being very likely attributable to the coinage operations mentioned above: 1930, 41,231 kilograms; 1931, 73,935 kilograms; and 1932, 44,608 kilograms.

SYRIA [8]

The monetary unit is the Syrian pound, divided into 100 piasters. The Syrian pound has a par value of approximately $0.7836, i.e., 20 French francs.

Present legal provisions.—Silver coinage is governed by the decree issued by the French high commissioner on April 16, 1929. That decree limits the circulation of silver to 1,250,000 Syrian pounds, and its legal tender to 15 Syrian pounds.[9] The following specifications appear in the decree:

Denomination	Fineness	Gross weight
		Grams
50 piasters	0.680	10
25 piasters	.680	5
10 piasters	.680	2

The above coins made their appearance in 1930.

[8] French mandates in the levant include: the Lebanese Republic, Syria, the Government of Latakia, and the Government of Jebel Druze. The Sandjak du Alexandrette is administered by Syria.

[9] The coins are acceptable at Government offices without limit.

A report submitted to this bureau in 1930 stated:

> Decree No. 844, of May 10, 1921, prohibits the exportation of gold, silver, or platinum in the form of coin or bullion. This decree was modified by Decree No. 2040 of July 23, 1928, authorizing the financial adviser of the French High Commission to issue special permits covering such exportation. It is reported that the Banque de Syrie has exported large amounts of old Turkish gold and silver coins in an attempt to increase the circulation of Syrian paper currency. The importation of foreign silver currencies, including old Turkish silver coins, is prohibited except in amounts not greater than five Syrian pounds when brought in by visitors.

Possibility of increased use of silver without new legislation.—Since the present circulation of Syrian silver coins reaches the maximum mentioned in the 1929 decree, a new decree would be necessary were more silver coin to be issued.

Attitude toward silver.—No prospective legislation has been reported which would affect the monetary use of silver in Syria, except, possibly, in connection with the old Turkish silver coins in the country. It is estimated that the equivalent of 4,000,000 Syrian pounds in old Turkish silver coins are in circulation in Syria, and it is probable that they will be demonetized and replaced by Syrian silver coins. Some Damascus piasters of silver were still in circulation in 1930.

The population shows a marked preference for silver coins but the Banque de Syrie et du Grand Liban is said to prefer paper. The attitude of the French high commissioner toward silver money will doubtless continue to be dictated by that of the French Government. That the maximum issue of Syrian silver was set as high as 1,250,000 pounds is explained by the long-standing popularity of metallic money. The new coins were designed to serve until the populace became accustomed to the paper money.

Present employment of silver.—Silver in circulation consists of Syrian coin to a total face value of 1,250,000 Syrian pounds, and Turkish silver coin estimated to total 4,000,000 Syrian pounds in value.[10] (The latter coins at present circulate at their value as bullion.) These figures compare with a note circulation of 12,400,000 Syrian pounds at the beginning of September 1932.[11]

More detailed earlier figures, applying to the end of 1931, were reported to the United States Bureau of the Mint as follows: Silver in treasury, 57,610 Syrian pounds; in banks, 120,515; and in circulation, 1,053,675.

Some French money circulates in Syria.

TAIWAN

The currency laws of Japan apply to Taiwan.

TIBET

> The official monetary unit is the silver tang-ka, which has no fixed par value in terms of gold.

There are no formal coinage laws. The tang-ka varies in weight, but is generally regarded as equivalent to 0.015 ounce (troy) of sil-

[10] They are in denominations of 1, 2, 5, 10, and 20 Turkish piasters, all 0.830 fine and weighing, respectively, 24.055, 12.028, 6.014, 2.405, and 1.203 grams.

[11] The note-issue figure represented an increase of 4,775,000 Syrian pounds since 1929, due to the substitution of notes for Turkish gold coins in circulation.

ver. Six kinds of tang-ka are reported to be in current use. No fractional silver coins are issued, change being made by cutting up tang-ka coins, the money changer taking his commission by clipping a portion of the fractional pieces. The tang-ka has no standard fineness.

In northern and eastern Tibet, Chinese 50-tael shoes of silver and other ingots are in use, being subdivided in various ways when required. Along the borders of Kansu the use of Chinese coins is becoming quite common. In southern and central Tibet, British Indian coins are commonly used, circulating at 3 tang-kas per rupee.

A silver rupee coin, coined in China during the Tsing dynasty, also circulates in Tibet.

TRAVANCORE

The monetary unit is the Sirkar rupee, divided into quarters and sevenths. The Sirkar rupee has a par value of approximately $0.359.

The Sirkar rupee was established by royal proclamation on November 15, 1913, but has never been minted, the British Indian rupee being circulated instead. Subsidiary silver coins are minted as follows: Half-rupee, weighing 82 38/61 grains (troy); quarter-rupee, weighing 41 19/61 grains; and the fanam (1/7 rupee), weighing 23 37/61 grains. These coins are all 0.950 fine.

The British Indian rupee is legal tender in any amount, and the corresponding half- and quarter-rupee and 2-anna silver pieces are legal tender in amounts not over 1 rupee. The Travancore silver half-rupee, quarter-rupee, and seventh-rupee are legal tender in payments of 2 rupees or less.

TRINIDAD AND TOBAGO

The monetary unit is the pound sterling, divided into 20 shillings of 12 pence each. The par value of the pound sterling is approximaely 4.8666 [12]

Present legal provisions.—The British coinage system applies to Trinidad and Tobago.

Present employment of silver.—In addition to British currency, the West Indian dollar circulates in the form of paper notes. The West Indian dollar has a fixed value of 4 shillings 2 pence sterling. British Guiana 4-pence silver pieces also circulate.

The United States Bureau of the Mint gives the stock of monetary silver in Trinidad at the end of 1930 as equivalent to $917,000 United States currency.

TUNISIA

The monetary unit is the Tunisian or Algerian franc, divided into 100 centimes. The franc has a par value of approximately $0.0392.

Present legal provisions.—There is no legal provision for the circulation of silver in Tunisia. It appears that silver coins will be issued in Tunisia at the same time as in France. (See France.) According to the report of the French Commission for the Control

[12] The British West Indies dollar, a unit of account equivalent to 4 shillings 2 pence, is in use, but it is not coined.

of the Monetary Circulation, published in the Journal Officiel of February 2, 1932, some silver coins were struck for Tunisia during 1931. They consisted of fifty-three 20-franc pieces and one thousand one hundred and three 10-franc pieces. The fineness of the 20-franc pieces was found to be 0.6823 and that of the 10-franc pieces 0.682.

TURKEY

The monetary unit is the Turkish piaster, divided into 40 paras. The piaster has a par value of approximately $0.0440. One hundred piasters equal 1 Turkish pound, which by convention is the unit quoted in the foreign-exchange market.

Present legal provisions.—Although the provisions of the currency regulations relating to silver coins, inherited by the republican regime from the Ottoman Empire, have not been modified or amended, silver coins no longer circulate as legal currency. They are not accepted for the payment of taxes or for customs duties. In other words, silver coins are legal tender (to 3 Turkish pounds) de jure, but not de facto.

The old Turkish coins were as follows:

Denomination	Fineness	Gross weight	Denomination	Fineness	Gross weight
		Grams			*Grams*
20 piasters (1 medjidie)	0.830	24.0550	2 piasters	.830	2.4055
10 piasters	.830	12.0275	1 piaster	.830	1.2028
5 piasters	.830	6.0138	½ piaster	.830	(?)0.6014

Possibility of increased use of silver without new legislation.—It is believed that new legislation would be necessary before silver coins could be issued.

Attitude toward silver.—According to a report from Commercial Attaché Julian E. Gillespie, dated January 11, 1933, silver coins will shortly be minted and put into circulation under a project of law prepared by the Ministry of Finance. Specific information is not available, but it is understood that the Government desires to withdraw from circulation the 1-pound notes and some of the subsidiary coins, such as the 5- and 10-piaster bronze pieces, and replace them with silver coins. It is stated that the bulk of the silver coins to be minted will be 1-pound pieces and that the total issue will be about 24,000,000 Turkish pounds.

When the paper currency now in circulation was printed in 1928, 24,591,218 1-pound notes were put in circulation. Subsidiary bronze coins have been struck to the amount of approximately 3,750,000 Turkish pounds. There is no estimate of 1-pound notes and subsidiary coins actually in circulation, but it is held that the proposed issue of 24,000,000 Turkish pounds in silver will serve to replace the notes and coins the Government desires to retire.

The proposal is to issue silver coins in denominations of 25, 50, and 100 piasters; also new bronze coins in denominations of 10 and 20 paras.

Present employment of silver.—Following the issuance of paper currency in 1914, silver and gold coins disappeared from circula-

tion. Since then old Turkish silver and gold coins have been accepted by banks and bullion dealers at their bullion value only.

Old Turkish coins are to be found circulating in parts of Greece and southern Yugoslavia, Iraq, Syria, and Greek and Italian islands formerly part of the Turkish Empire.

Circulation of foreign silver coins is prohibited by law.

UNION OF SOVIET SOCIALIST REPUBLICS (RUSSIA)

The monetary unit is the chervonets, consisting of 10 rubles. The chervonets has a par value of approximately $5.1457.

Present legal provisions.—The coinage is governed by the decree of February 22, 1924, which provided for the issuance of new silver coins of the same weight and fineness as the former Tsarist silver coins, and for the demonetization of the latter. The following are the silver coins specified:

Denomination	Fineness	Gross weight	Legal tender limit
		Grams	*Rubles*
Ruble [1]	0.900	20.0	25
50 kopeks	.900	10.0	25
20 kopeks	.500	3.6	3
15 kopeks	.500	2.7	3
10 kopeks	.500	1.8	3

[1] 1 ruble equals 100 kopeks.

The note reserve may include silver.[13]

The Soviet foreign trade monopoly controls the exportation and importation of silver, as it does that of all commodities. No movement can legally take place except through Government channels.

Possibility of increased use of silver without new legislation.—It would be a relatively easy matter for the Government to increase the issuance of silver.

Attitude toward silver.—It is unlikely that more silver money will be issued in the near future.

Present employment of silver.—The coins provided for in the 1924 legislation circulated freely until 1928 or early 1929, when the increase of the chervonets note circulation and the depreciation thereof forced the silver currency into hiding. Subsequently an attempt was made by the Government to compel hoarders of silver coins to release them, and a number of arrests were reported on this score. Apparently the Government had considerable success in this effort, since it has been reported that a large proportion of the heavy silver shipments to Germany in 1932 consisted of demonetized silver "which the Soviet Government had been accumulating for some years." In January 1933 it was reported from Paris that the Torgsin shops in Russia—shops maintained by the Government for those able to make purchases with foreign currency—had decided to accept from the native population payments in silver or gold coin, on a bullion basis, with the prices of their goods fixed at so many grams or ounces of silver or gold.

[13] Federal Reserve Bulletin, July 1932, p. 438.

The Paris report suggested that the acceptance of silver implie that no more gold, except possibly in the form of jewelry, is in th hands of the people. That there is little silver may be deduced fro the fact that a decree, issued early in 1932, provides for the mint ing of nickel coins, in denominations of 10, 15, and 20 kopecks, t be "accepted at par with the silver coins already in circulation. This decree was referred to in a Soviet publication of March 1 1932.

At the end of 1931 silver coins in circulation totaled 267,600,00 rubles, comparing with 43,900,000 rubles of minor coin and 5,361 900,000 rubles of paper money.[14] Since June 1, 1932, no circulatio figures of any kind have been published by the Soviet Governmen

UNION OF SOUTH AFRICA[15]

The monetary unit of the Union is the South African pound, divided into 20 shillings of 12 pence each. The South African pound has a par value of approximately $4.8666.

Present legal provisions.—The coinage act (no. 31) of 1922 pro vides for silver coins 0.800 fine; otherwise they must conform t the specifications in force in the United Kingdom. As in the Unite Kingdom, silver coins are legal tender in payments not exceedin 40 shillings. Following is a description of the Union's silver coins

Denomination	Fineness	Gross weight
		Grams
Half crown	0.800	14.13
Florin	.800	11.31
Shilling	.800	5.65
Sixpence	.800	2.82
Threepence	.800	1.41

By imperial proclamation of December 14, 1922, there was estab lished at Pretoria a branch of the royal mint. Coins other tha gold struck at Pretoria bear distinctive designs.

According to an arrangement made in 1922, quantities of Britis Imperial silver coins have been wtihdrawn from circulation in th Union.[16]

The Treasury Department of the Union Government, under dat of November 17, 1932, announced the revocation of the royal procla mation of January 13, 1911, which applied to the Union a certai part of the British coinage act of 1870, as amended by section 2 and the schedule of the coinage act, 1891, with modifications, an made British silver coins legal tender in the Union. By the term of Government notice no. 1507, dated November 18, 1932, all Britis silver coins—whether of 0.925 or 0.500 fineness—were to be demone tized and withdrawn from circulation in the Union of South Afric by January 15, 1933.

The proviso (of subsection 1 of section 1 of the regulations frame under subsection 1 of section 1 of the finance emergency regula

[14] According to Moscow Economic Life, No. 2 of Jan. 2, 1932, and Moscow Bulletin o Financial and Economic Legislation, 1932, No. 5.

[15] Includes Transvaal, Cape of Good Hope, Orange Free State, and Natal. See Soutl west Africa, which is a mandate of the Union of South Africa.

[16] See Report of the Director of the United States Mint, 1924, p. 204.

tions act, 1931, published under Government Notice No. 1150 of Sept. 2, 1932) whereby any person entering the Union as a bona fide traveler within a period of 14 days prior to the first-mentioned entry, was permitted to bring into the Union a quantity of British silver coin not exceeding 40 shillings, has been repealed. At present, therefore, while there is no ban on the importation of British silver coin, it can be disposed of only through the banks at a discount. According to Assistant Trade Commissioner Du Wayne C. Clark, of Johannesburg (Nov. 20, 1932), the total face value of the coins to be retired under the above-described announcement was £1,250,000.

The South African Reserve Bank is expected to keep a 40 percent gold reserve against notes, deposits, and bills payable, but may include in the reserve silver not exceeding 8 percent of the deposits and bills payable.[17]

Attitude toward silver.—It is evidently the policy of the Government to use silver in the currency system only as subsidiary coinage.

Present employment of silver.—At the end of 1931 the monetary stock of the Union included £1,600,000 in silver coin in circulation, £545,137 in home banks, and £405,455 in the treasury and central bank. The total just given compares with £8,624,477 representing gold coin and bullion and £9,804,965 representing note issue on the same date.

Insignificant quantities of coins of the former German East Africa, and Portuguese East Africa, and of Australia were, in 1930, reported in circulation in the Union of South Africa; of these, only the Australian coins were generally accepted. The Australian coins were reported to circulate mainly in coastal ports.

Regarding the demonetization in South Africa of British silver coins, the Johannesburg Sunday Times recently pointed out that the Union Government was culling out British coins of 0.925 fineness and reminting them into South African coins 0.500 fine. The mint has shipped great quantities of British 0.500-fine silver coins to the United Kingdom at a profit.

UNITED KINGDOM

The monetary unit is the pound sterling, divided into 20 shillings of 12 pence each. The par value of the pound sterling is approximately $4.8666.

Present legal provisions.—The silver coinage of the United Kingdom is regulated by the coinage acts of 1870, 1891, and 1920, and by the currency act of 1928.

The 1870 law provided for subsidiary silver coins, 0.925 fine, in 10 denominations, and made them legal tender in payments not exceeding 40 shillings. It provided (sec. 9) funds for the purchase of bullion to supply coin for the public service. Under the act (sec. 11) the Government was empowered to alter the coinage regulations in certain respects at any time by royal proclamation. Such proclamations may not increase the original legal tender provision.

The 1891 act did not effect any change in the use of silver but simply repeated the schedule of silver coins given in the 1870 act.

[17] Federal Reserve Bulletin, July 1932, p. 438.

The 1920 act reduced the fineness of the silver coins from 0.925 t 0.500, and increased the remedy allowance from 0.004 to 0.005.

As to the inclusion of silver currency in the monetary reserv of the Bank of England, the act of 1928 provides that not ov £5,500,000 in silver may be held in the issue department of th Bank of England.

The silver coins of the United Kingdom have the following gro weights in grams: Crown, 28.2759; half crown, 14.1380; flori 11.3104; shilling, 5.6552; sixpence, 2.8276; fourpence,[18] 1.8851; thre pence, 1.4138; twopence,[18] 0.9425; penny,[18] 0.4713.

Possibility of increased use of silver without new legislation.— From an examination of the several coinage acts it appears tha the silver coinage may be increased only when there is a need for i under the provisions of section 9 of the 1870 act. The prerogativ of the Throne, as outlined in section 11 of the same act, does no give the Crown authority to change the fineness of the silver coin but authorizes it to "regulate any matters relative to the coinag and the mint within the present prerogative of the Crown which ar not provided for by this act."

The lowest denomination bank note is the 10-shilling note, an it is extremely unlikely that it would be replaced by silver. Th growing use of coin machines may affect certain denominations o silver coins, but not the circulation of silver as a whole.

Attitude toward silver.—No legislation involving silver coinag is contemplated and a change in the law could be expected only i the event of an increase in the price of silver or a depreciation o British exchange sufficient to make profitable the melting of th silver coins. The British Government has given no indication o favoring the increased use of silver as currency. In private circle there has been some agitation for the remonetization of silver, but i is apparently making no headway. Pixley and Abell's Annual Cir cular for 1932 commented as follows:

> As was the case in 1931, many well-meant efforts were made in 1932 to brin the question of the remonetization of silver to the fore whenever there wa an Imperial or international conference in prospect, but these efforts and th little success which has so far attended them had less effect in moving price than of old, due possibly to the fact that the speculative element in the marke is becoming increasingly sceptical of results when such proposals are put for ward. Moreover, the reply of the Chancellor of the Exchequer in the Common on November 8 to Sir Robert Horne's plea for the remonetization of silve indicated sufficiently clearly that the Government has little faith in the efficac of this suggested remedy, either in increasing our trade with India and Chin or in increasing the world's available supplies of gold to any appreciable extent The chancellor also added that he was sure they would not be able to get th agreement of all the central banks to such a scheme of remonetization. * * It appears doubtful therefore whether any sharp artificial rise in price woul benefit anyone for some time, except those who already have large stocks o silver for immediate disposal, such, for instance, as the Governments of Indi or Spain.

Present employment of silver.—Recent statistics on the circula tion of silver coins are not available. On December 30, 1931, silve in circulation was reported as totaling £49,000,000. According t the Bank of England's statistical summary, the "circulation" o all coins (bronze, silver, and gold) was £70,000,000 in October 193

[18] Maundy money.

The corresponding figure in January 1932, was £78,000,000. The decline thereafter may be chiefly explained by the "gold rush," which resulted in the widespread sale of gold sovereigns for their bullion content.

At the end of June 1931 the banks of Great Britain, Ireland, and the Irish Free State—the issue department of the Bank of England excluded—held £15,789,208 in silver coin.

Of the 10 denominations of silver coins specified in the law, 5 are not in active circulation. The remaining 5 are the half crown (2½ shillings), florin (2 shillings), shilling, sixpence, and threepence.

The Bank of England's statement for January 18, 1933, showed £3,715,633 of silver coin in its issue department. This compares with a note issue of £394,793,579, of which £40,129,851 was held in the banking department.

The following excerpts from a report prepared in the American consulate in June 1932 are of interest in connection with the subject of this bulletin.

Since 1920 the British Government has bought no silver, but has sold about half the surplus silver which it has gained by the reduction in the fineness, and by a decrease in the circulation, of silver coins.

From the old silver of 0.925 fineness, withdrawn from circulation between 1920 and 1930, amounting to £55,709,000 in face value, new coinage of 0.500 fineness has been minted to the nominal value of £43,685,000. It was estimated in 1920 that the circulation of silver coinage in this country was about £60,000,000—so that the greater part of that coinage has now been replaced.

According to the sixty-first annual report of the Deputy Master and Comptroller of the Royal Mint for 1930, the weight of the silver coinage withdrawn during the 10 years was about 6,000 tons. One can estimate the approximate weight of silver in this amount, which would be about 5,550 tons, or 181,258,560 ounces. The weight of the new coins minted is given in the above-mentioned report as about 4,800 tons. Estimating from this figure, it would appear that the silver content, which would be about 2,400 tons, represents about 78,382,080 ounces. Thus there appears to have been, during the 10 years, a surplus balance of about 3,150 tons, or about 102,876,480 ounces. It should be noted that a part of this balance is due to a net reduction in the nominal value of the silver coinage in circulation. With reference to this point, the above-mentioned report states as follows:

"The difference between the face value of the withdrawals and the issues—£12,000,000—has been entirely financed by the sale of surplus bullion, with a margin over for surrender to the Treasury."

The figures include issues to and withdrawals from the Dominions and colonies. Nearly £42,000,000 of the £43,685,000 was issued in the United Kingdom.

With regard to the disposal of the balance, the report makes the following statement:

"The silver coin withdrawn from circulation in the Dominions during the period 1920–30 has for the most part been melted in the local branch mints, and the resultant bullion sold to the Dominion Government concerned. Considerable quantities of the surplus bullion resulting from the conversion into lower-grade silver in this country have been used for coinage undertaken for various colonial and foreign governments. A further quantity—some 65,000,000 standard ounces—has been converted into ingots in the London Mint and disposed of on the market as bullion."

Thus it would appear that about half of the surplus silver during the period has been sold in the open market, and the remainder used in ways for which new silver might have been purchased had this surplus not been available.

I estimate that the amount of silver which would be required to restore the new silver coinage of 0.500 fineness to the old fineness of 0.925, would be approximately 65,977.288 ounces; and that the amount which would be required to replace it with coinage of nine tenths fineness, approximately 62,862,428 ounces.

A press report from Wellington on April 19 stated that N Zealand banks had received notice from London that the Bank England would no longer accept at par British silver coins ship from New Zealand or Australia.

UNITED STATES [19]

The monetary unit is the dollar, divided into 100 cents.

Present legal provisions.—United States silver coinage, none which is limited legal tender, consists of the standard silver doll and subsidiary silver coins. To an important degree, silver c culates by proxy in the form of silver certificates. Details of silver dollars under each are listed in the table following: [21]

Denomination	Fineness	Gross weight		Silver conten	
		Grams	Grains	Grams	Gra
Dollar	0.900	26.7296	412.5000	24.0566	371.
Half dollar	.900	12.5000	192.9045	11.2500	173.
Quarter dollar	.900	6.2500	96.4522	5.6250	86.
Dime (one tenth dollar)	.900	2.5000	38.5809	2.2500	34.

The standard silver dollar has been coined under various acts, accordance with specifications set down in the law of January 1837. The principal laws referred to and the amount of coinage silver dollars under which are listed in the table following: [21]

Authorizing act	Standard weight	Standard fineness	Coined Dec. 31, 1 (value)
	Grains		
Apr. 2, 1792, total	416	0.8924	$1,440
From 1792 to 1805			1,439
During 1836			1
Jan. 18, 1837	[1] 412½	.900	
From 1839 to Feb. 12, 1873			6,590
Feb. 28, 1878	412½	.900	378,166
July 14, 1890, total	412½	.900	187,027
1890 to date of repeal of purchasing clause of Sherman Act, Oct. 31, 1893			36,087
Nov. 1, 1893, to June 13, 1898			42,139
June 13, 1898, war revenue bill			108,800
Mar. 3, 1891 (trade dollar conversion)	412½	.900	5,078
Apr. 23, 1918, Pittman Act replacement, total	412½	.900	270,232
Old design, since Feb. 21, 1921			86,730
"Peace" design, since Dec. 21, 1921			183,502
Total value and pieces			848,536
Mar. 31, 1899, Lafayette commemorative, total	412½	.900	50

[1] Discontinued by act of Feb. 12, 1873.

NOTE.—Silver-dollar coinage was suspended from 1806 to 1835 and from 1874 to 1877. The bullion va of the dollar was greater than its face value for a considerable number of years prior to 1878.

[19] Including Alaska, Territory of Hawaii, Puerto Rico, Midway and Wake Islands, Gua Yap, and American Samoa.

[20] From Monetary Units and Coinage Systems of the Principal Countries of the Wor 1929, p. 9.

[21] As shown in Report of the Director of the Mint, 1932, p. 88.

The above specifications of the present half-dollar and quarter-dollar and 10-cent coins are as set forth in the act of February 12, 1873. Below is given the total coinage of silver, including trade dollars, commemorative issues, and discontinued denominations, from 1793 to the end of 1931.[22]

Denomination	Total coined (millions)		Denomination	Total coined (millions)	
	Pieces	Value		Pieces	Value
		Dollars			*Dollars*
lar	[1] 884.5	[1] 884.6	Half dime	97.6	4.9
f dollar	462.9	231.5	3 cents	42.7	1.3
rter dollar	653.1	163.3			
ents	1.4	[2]	Total silver	3,539.3	1,425.4
ents (dime)	1,397.0	139.7			

[1] Including trade dollars to a total of 35,965,924. [2] $271,000.

Details of American coinage history as affecting the present monetary use of silver are given by the Bureau of the Mint as follows:[23]

The act of February 12, 1873, provided silver coins * * * a trade dollar; half dollar, or 50-cent piece; a quarter dollar; and a 10-cent piece; the weight of the trade dollar to be 420 grains (troy); the half dollar, 12½ grams; the quarter dollar and the dime, respectively, one half and one fifth of the weight of the half dollar. Owners of silver bullion were allowed to deposit it at any mint of the United States to be formed into bars or into trade dollars and no deposit of silver for other coinage was to be received.

Section 2 of the joint resolution of July 22, 1876, recited that the trade dollar should not thereafter be legal tender and that the Secretary of the Treasury should be authorized to limit the coinage of the same to an amount sufficient to meet the export demand for it. The law of March 3, 1887, retired the trade dollar and discontinued its coinage.

The act of February 28, 1878 [popularly known as the Bland-Allison Act], directed the coinage of silver dollars of the weight of 412½ grains (troy), of standard silver, as provided in the act of January 18, 1837, and that such coins, with all standard silver dollars theretofore coined should be legal tender at their nominal value for all debts and dues, public and private, except where otherwise expressly stipulated in the contract. The Secretary of the Treasury was authorized and directed by the first section of the act to purchase from time to time silver bullion at the market price thereof not less than $2,000,000 worth nor more than $4,000,000 worth per month, and to cause the same to be coined monthly, as fast as purchased, into such dollars.

A subsequent act, that of July 14, 1890 [popularly known as the Sherman act], provided that the Secretary of the Treasury should purchase silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as might be offered, each month, at the market price thereof, not exceeding $1 for 371.25 grains of pure silver, and to issue in payment thereof Treasury notes of the United States, such notes to be redeemable by the Government, on demand, in coin, and to be legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract. The act directed the Secretary of the Treasury to coin each month 2,000,000 ounces of the silver bullion purchased under the provisions of the act into standard silver dollars until the 1st day of July, 1891, and thereafter as much as might be necessary to provide for the redemption of the Treasury notes issued under the act. The purchasing clause of the act of July 14, 1890, was repealed by the act of November 1, 1893.

[22] Ibid, pp. 90 and 99.
[23] Monetary Units and Coinage Systems of the Principal Countries of the World, 1929, pp. 13–14.

The law of March 14, 1900, declares that the dollar, consisting of 25.8 grai of gold 0.900 fine, "shall be the standard unit of value" and makes it t duty of the Secretary of the Treasury to maintain at a parity of value (at equality of purchasing power) with this standard all forms of money issu or coined by the United States. Section 26 of the Federal Reserve Act of D cember 23, 1913, reaffirms such parity policy and authorizes the Secretary of t Treasury to borrow or buy gold, if necessary, in order to maintain such parit

Further details of interest in connection with the silver certificat and treasury notes is given as follows:[24]

Silver certificates.—The act of February 28, 1878, authorizing the issue standard silver dollars, provided that any holder of such dollars might depos them in sums not less than $10 with the Treasurer or any Assistant Treasur of the United States and receive certificates therefor, in denominations not le than $10, said certificates to be receivable for customs, taxes, and all publ dues. The act of August 4, 1886, authorized the issue of the smaller denomin tions of $1, $2, and $5. The act of March 14, 1900, provided that thereaft the issue of silver certificates should be limited to the denominations of $1 and under, except that 10 percent of the total volume of such certificates, i the discretion of the Secretary of the Treasury, may be issued in denominatio of $20, $50, and $100. Neither silver certificates nor silver dollars are r deemable in gold. Silver certificates have largely taken the place in circulatio of the standard silver dollars which they represent; the silver dollars are he for redemption of the certificates on demand.

Treasury notes of 1890.—It was provided in the 1890 act that when the not should be redeemed or received for dues they might be reissued, but that n greater or less amount of such notes should be "outstanding at any time tha the cost of the silver bullion and the standard silver dollars coined therefro then held in the Treasury, purchased by such notes."

When the authority for the purchase of silver bullion under this act wa repealed by the act of November 1, 1893, the Government had purchase 168,674,682.53 fine ounces, at a cost of $155,931,002, for which Treasury not were issued. Treasury notes redeemed are canceled and retired in accordanc with the requirements of the act of 1890. Sections 5 and 8 of the act of Marc 14, 1900, provide for the cancelation and retirement of Treasury notes to a amount equal to the coinage of standard silver dollars and subsidiary silve from the bullion purchased with such notes. They are secured by a reserv of an equal amount of silver dollars held in the Treasury for their redemptio and the act of March 14, 1900, provides for their redemption in gold held in th gold reserve fund.

It may be added that, apart from a 100-percent reserve in silver dol lars, the Treasury notes of 1890 are also secured by the $156,039,08 gold reserve held as security for United States notes.

The standard silver dollar is unlimited legal tender unless otherwis provided in the contract. The other silver coins are legal tender fo payments not exceeding $10, in accordance with the Act of June 9 1879. The following information on the legal tender of silver coin etc., is from the Bureau of the Mint:[25]

Standard silver dollars are legal tender at their nominal or face value i payment of all debts, public and private, without regard to the amount, excep where otherwise expressly stipulated in the contract. Being standard money standard silver dollars are not redeemable, but may be exchanged for othe forms of money particularly silver certificates.

Silver certificates are not legal tender, but are receivable for all public due and when so received may be reissued, and they may be held by Federal reserv and National banks as lawful reserve. Silver certificates are receipts for actua standard silver dollars held in the Treasury and are redeemable, on demand, i such dollars only. They may be presented for redemption to the Treasurer o the United States or to any Federal Reserve bank or branch.

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[24] Monetary Units and Coinage Systems of the Principal Countries of the World, 1929 pp. 16–18.

[25] Monetary Units and Coinage Systems of the Principal Countries of the World, 1929 p. 12. For detailed history of American coinage legislation, see Fractional Money, by Neil Carothers (New York, 1930).

Treasury notes of 1890 (the act of July 14) are legal tender for all debts, public and private, except where otherwise expressly stipulated in the contract. They are redeemable in United States gold coin or in standard silver dollars, at the option of the holder. by the Treasurer of the United States or any Federal Reserve bank. When received by the Treasurer they are canceled and retired. 1,275,500 remained outstanding October 31, 1929.

United States notes (also known as greenbacks or legal tenders) are legal tender for all debts, public and private, except duties on imports and interest on the public debt. Since the resumption of specie payments January 1, 1879, these notes have been accepted in payment of customs dues. They are redeemable in United States gold coin and will be received for redemption by the Treasurer of the United States or by any Federal Reserve bank or branch. The amount outstanding remains constant at $346,681,016.

Subsidiary silver coins (50 cents, 25 cents, 10 cents) are legal tender for amounts not exceeding $10 in one payment. They may be presented in sums or multiples of $20 to the Treasurer of the United States, or Federal Reserve banks or branches, for redemption or exchange for lawful money.

The last important legislation affecting silver coinage in the United States was the act of April 23, 1918, popularly referred to as the Pittman Act. This act authorized the Secretary of the Treasury to retire silver certificates and concurrently melt or break up or sell as bullion the silver represented up to a limit of 250,000,000 standard silver dollars. The mint, it was provided, was to purchase silver, the product of United States mines and reduction works, equal to the amount necessary to replace the silver dollars so melted or broken up, the purchase to be made within the then existing regulations of the mint at $1 per fine ounce.

In pursuance of the terms of the act, the Treasury immediatly sold to the Government of Great Britain slightly over 200,000,000 fine ounces. The melting of the necessary quantity of dollars, 259,121,554, was completed in May 1919. The bullion was sold at $1 plus a charge to cover the cost of melting, recoining, and other expenditures. In addition to this amount, 11,111,168 standard silver dollars were, in accordance with the act, melted and assigned for subsidiary silver coinage. However, this transaction was subsequently canceled and the silver dollars so melted were replaced with silver dollars coined from silver in kind.

The coinage of silver dollars out of American silver purchased under the terms of the act took place from 1921 to 1928. A total of 270,232,722 dollars were so minted.[26]

Possibility of increased use of silver without new legislation.—No new legislation is required for the purchase of silver for the manufacture of necessary fractional coins. The Bureau of the Mint has stated:[27]

> There are no limits on the amounts of the several denominations of coin that may be issued, except as to silver dollars, which may be issued only in amounts authorized by specific legislative acts. No silver dollars have been coined since 1904 except for replacing (1921 and 1928) an equivalent number destroyed under the act of April 23, 1918, for use as bullion to meet conditions brought about by the World War then in progress.

Section 335 of title 31 of the United States Code reads as follows:

Purchase of bullion for silver coinage; silver-profit fund.—In order to procure bullion for the silver coinage authorized by this chapter, other than the

[26] For other details of the Pittman Act see annual report of the Treasury on the state of the finances for the fiscal year ended June 30, 1918, pp. 160–163; and hearings before the subcommittee of the Commission of Gold and Silver Inquiry, United States Senate, 1923, serial I, "Silver Purchases Under the Pittman Act."

[27] Monetary Units and Coinage Systems of the Principal Countries of the World, 1929, p. 10.

silver dollar, the superintendents, with the approval of the Director of the Mint, as to price, terms, and quantity, shall purchase such bullion with the bullion fund * * *.

The above substantially states the provisions of section 3526 Revised Statutes, although the wording is somewhat different; it takes into consideration certain provisions of section 3513, Revised Statutes, and modifications of more recent laws. There is no limitation on the amount of subsidiary silver coin that may be issued, but the practice of the Treasury is to supply the demands of the general public, as reflected by requisitions for such coin reaching the Treasury offices through the banks.

Present employment of silver.—The location, ownership, and per capita circulation of silver and other forms of currency in the United States at the end of March 1933 are shown in the accompanying circulation statement of the Treasury.

CIRCULATION STATEMENT OF UNITED STATES MONEY—MARCH 31, 1933

[In thousands of dollars. Owing to abbreviation of the items totals shown in some cases do not agree with the summations]

Kind of money	Total amount	Money held in the Treasury				
		Total	Amount held in trust against gold and silver certificates (and Treasury notes of 1890)	Reserve against United States notes (and Treasury notes of 1890)	Held for Federal reserve banks and agents	All other money
Gold coin and bullion	[1] 4,282,329	3,204,225	1,308,260	156,039	1,542,837	197,089
Gold certificates	[2] 1,308,260					
Standard silver dollars	540,008	506,450	499,830			6,620
Silver certificates	[2] 498,616					
Treasury notes of 1890	[2] 1,214					
Subsidiary silver	306,805	15,353				15,353
Minor coin	126,684	5,418				5,418
United States notes	346,681	4,217				4,217
Federal Reserve notes	4,035,769	45,280				45,280
Federal Reserve bank notes	23,677	4				4
National bank notes	966,661	15,819				15,819
Total, Mar. 31, 1933	10,628,613	[3] 3,796,766	1,808,090	156,039	1,542,837	[4] 289,800
Comparative totals:						
Feb. 28, 1933	10,275,505	[3] 3,832,415	1,734,518	156,039	1,759,886	181,972
Mar. 31, 1932	9,266,558	[3] 3,986,791	2,085,245	156,039	1,631,370	114,137
Oct. 31, 1920	8,479,621	[3] 2,436,865	718,674	152,979	1,212,361	352,850
Mar. 31, 1917	5,396,597	[3] 2,952,020	2,681,691	152,979		117,350
June 30, 1914	3,797,825	[3] 1,845,570	1,507,179	150,000		188,391
Jan. 1, 1879	1,007,084	[3] 212,420	21,603	100,000		90,818

[1] Does not include gold bullion or foreign coin other than that held by the Treasury, Federal Reserve banks, and Federal Reserve agents. Gold held by Federal Reserve banks under earmark for foreign account is excluded, and gold held abroad for Federal Reserve banks is included.

[2] These amounts are not included in the total since the money held in trust against gold and silver certificates and Treasury notes of 1890 is included under gold coin and bullion and standard silver dollars, respectively.

[3] The amount of money held in trust against gold and silver certificates and Treasury notes of 1890 should be deducted from this total before combining it with total money outside of the Treasury to arrive at the stock of money in the United States.

[4] This total includes $80,524,916 gold deposited for the redemption of Federal Reserve notes ($2,663,570 in process of redemption), $41,787,756 lawful money deposited for the redemption of national bank notes ($15,777,203 in process of redemption, including notes chargeable to the retirement fund), $1,100,000 lawful money deposited for the redemption of Federal Reserve bank notes ($4,335 in process of redemption, including notes chargeable to the retirement fund), $1,350 lawful money deposited for the retirement of additional circulation (act of May 30, 1908), and $50,349,522 lawful money deposited as a reserve for postal savings deposits.

CIRCULATION STATEMENT OF UNITED STATES MONEY—MARCH 31, 1933—Continued

Kind of money	Money outside of the Treasury				Population of continental United States (estimated)
	Total	Held by Federal reserve banks and agents [5]	In circulation [6]		
			Amount	Per capita	
Gold coin and bullion	1,078,104	711,602	366,501	$2.92	
Gold certificates	1,308,260	914,762	393,499	3.14	
Standard silver dollars	33,558	5,211	28,347	.23	
Silver certificates	498,616	122,431	376,186	3.00	
Treasury notes of 1890	1,214		1,214	.01	
Subsidiary silver	291,451	33,167	258,284	2.06	
Minor coin	121,267	9,047	112,220	.89	
United States notes	342,464	76,636	265,827	2.12	
Federal Reserve notes	3,990,489	369,050	3,621,439	28.88	
Federal Reserve bank notes	23,673	6,482	17,191	.14	
National bank notes	950,842	72,034	878,808	.7.01	
Total, Mar. 31, 1933	8,639,937	2,320,422	6,319,515	50.40	125,386,000
Comparative totals:					
Feb. 28, 1933	8,177,608	1,632,540	6,545,068	52.23	125,323,000
Mar. 31, 1932	7,365,013	1,905,927	5,459,085	[7] 43.80	[7] 124,634,000
Oct. 31, 1920	6,761,431	1,063,216	5,698,215	53.21	107,096,005
Mar. 31, 1917	5,126,267	953,322	4,172,946	40.23	103,716,000
June 30, 1914	3,459,434		3,459,434	34.93	99,027,000
Jan. 1, 1879	816,267		816,267	16.92	48,231,000

[5] Includes money held by the Cuban agency of the Federal Reserve Bank of Atlanta.
[6] The money in circulation includes any paper currency held outside the continental limits of the United States.
[7] Revised figures.

NOTE.—Gold certificates are secured dollar for dollar by gold held in the Treasury for their redemption; silver certificates are secured dollar for dollar by standard silver dollars held in the Treasury for their redemption; United States notes are secured by a gold reserve of $156,039,088 held in the Treasury. This reserve fund may also be used for the redemption of Treasury notes of 1890, which are also secured dollar for dollar by standard silver dollars held in the Treasury; these notes are being canceled and retired on receipt. Federal Reserve notes are obligations of the United States and a first lien on all the assets of the issuing Federal Reserve bank. Federal Reserve notes are secured by the deposit with Federal Reserve agents of a like amount of gold or of gold and such discounted or purchased paper as is eligible under the terms of the Federal Reserve Act, or until Mar. 3, 1934, of direct obligations of the United States if so authorized by a majority vote of the Federal Reserve Board. Federal Reserve banks must maintain a gold reserve of at least 40 percent, including the gold redemption fund which must be deposited with the United States Treasurer, against Federal Reserve notes in actual circulation. Federal Reserve bank notes are secured by direct obligations of United States on commercial paper, except where lawful money has been deposited with the Treasurer of the United States for their retirement. National bank notes are secured by United States bonds except where lawful money has been deposited with the Treasurer of the United States for their retirement. A 5 percent fund is also maintained in lawful money with the Treasurer of the United States for the redemption of national bank notes secured by Government bonds.

On the place of silver in the currency system of this country, the following appeared in The Silver Market: [28]

Discussion of silver in the United States today would be incomplete without reference to the part played by the metal in our currency system. From 1793 to 1931, inclusive, the face value of silver money coined in the United States was approximately one third of that of United States gold coin minted. Of the amount estimated to be in circulation and in the Treasury on June 30, 1932, the face value of the silver was nearly one half that of the gold coins, as the following table based upon Bureau of the Mint figures shows.

Kind	Domestic coin made, 1793 to 1931, inclusive	Estimated in the United States at end of June 1932
Gold	$4,447,518,477	$1,793,828,454
Silver dollars:		
Standard	848,586,596	540,007,911
Trade	35,965,924	
Subsidiary silver	540,865,231	304,882,996
Minor coins	141,037,058	126,493,326
Total	6,013,973,286	2,765,212,687

[28] Trade Promotion Series No. 139, by Herbert M. Bratter, pp. 24–25.

It should be noted that most of our monetary stock of gold consists not of coin but of bullion; hence the part played by gold in our currency system is greater than would appear from the table. Since by the act of 1900 the Government is obliged to maintain all forms of American money at parity with gold, silver certificates (which represent standard silver dollars on deposit with the Treasury) are freely accepted by the public at face value, regardless of the fluctuating bullion value of the standard silver dollars they represent. In demanding silver certificates rather than standard silver dollars, the public displays a decided preference for the more convenient paper money. Of the 380,000,000 standard silver dollars in circulation at the end of August 1932, 350,000,000 were represented by silver certificates.[29]

Figures, published monthly in the Federal Reserve Bulletin, show, by kinds, the money in the United States other than that held by the Treasury or Federal Reserve banks and agents. The figures thus represent money in circulation, including that held by banks other than the Federal Reserve banks.[30]

Compared with all moneys in circulation (e.g., in March 1932), silver certificates and coin (totaling $645,000,000 face value) comprised about 12 percent. Standard silver dollars and silver certificates in circulation formed about 7 percent of the total. Standard silver-dollar coins were less than six tenths of 1 percent of the total. (These percentages represent money in the hands of the public and in banks. Using 1928 figures, Y. S. Leong recently estimated 33.4 percent of the silver certificates and 43.7 percent of the silver dollars outside the Treasury were in the hands of banks.)

The standard silver dollars in the United States are held chiefly in Government vaults. Of the approximate 540,007,911 listed in the table showing United States coinage, 501,022,733 of the coins (over 92 percent) were held in the Treasury. Counting 0.7734 fine ounce per standard silver dollar, this amounted to over 385,500,000 fine ounces. Were this silver made available for manufacture into subsidiary coinage at the rate of 10,000,000 ounces annually it would last for 38 years.

URUGUAY

The monetary value is the peso, divided into 100 centesimos. The peso has a par value of approximately $1.0342.

Present legal provisions.—Since the law of June 7, 1876, silver coins have been limited legal tender. A law of October 18, 1890,[31] established a fineness of 0.900 for the silver coins but minting of that fineness had actually taken place since 1877. The same law in 1890 (1892)[31] fixed a graduated scale of legal tender which continues in force, as follows:[32]

Permissible amounts	*Permissible portion of silver coin*
Up to 10 pesos	5 pesos.
More than 10 pesos, to 25 pesos	30 percent.
More than 25 pesos, to 100 pesos	20 percent.
More than 100 pesos, to 500 pesos	10 percent.
More than 500 pesos, to 5,000 pesos	5 percent.
More than 5,000 pesos	2 percent.

Circulation and importation of foreign silver coin was prohibited.

On January 3, 1916, a law was passed authorizing the Bank of the Republic to retire from circulation the silver currency minted in the years 1877, 1893, and 1895 and contract for the remintage of new

[29] The figures do not include currency held by Federal Reserve banks or agents nor, of course, by the Treasury; but it does include currency held by national, State, and savings banks. The 380,000,000 silver dollars are part of the 540,007,911 mentioned in the table above.

[30] The location, ownership, and per capita circulation of United States money is published each year, with comparative totals for earlier years, in the annual report of the Director of the Mint. The latest such statement appears on pp. 130–31 of this bulletin.

[31] Another source states 1892, instead of 1890.

[32] According to Monetary Units and Coinage Systems of the Principal Countries of the World, 1929, p. 87. It should be noted that there is no limit in respect to payments of taxes, imports, and customs dues.

coins of 1 peso and 50 centesimos, up to the amount of 5,000,000 pesos, the weight of these coins to be 25 grams for the 1-peso piece and 12½ grams for the 50-centesimo piece, and their fineness to be 0.900.

A law of June 21, 1920, authorized the Bank of the Republic to withdraw from circulation 300,000[33] pesos of the silver currency authorized in 1916, and to remint it into 20-centesimo silver pieces weighing 5 grams, 0.800 fine.

Uruguay's silver coins are described in the following table:

Denomination	Fineness	Gross weight
		Grams
1 peso	0.900	25.0
50 centesimos	.900	12.5
20 centesimos (new)	.800	5.0
20 centesimos (old)	.900	5.0
10 centesimos [1]	.900	2.5

[1] Not in circulation.

Possibility of increased use of silver without new legislation—Whenever silver has been minted or reminted, the Congress has passed a special law giving the Bank of the Republic authority to strike a specified amount of coin for the Government. From this it seems to follow that new issues of silver may not be made without specific authorization by law.

Attitude toward silver.—No legislation respecting silver is known to be contemplated. With the peso down to less than half its par value and the population well accustomed to the use of paper money, there is little likelihood of any increase in the use of silver for monetary purposes.

Present employment of silver.—The silver-peso coin has practically disappeared from circulation and there appears to be a supply of 50- and 20-centesimo pieces ample for the commercial needs of the country. The last issue of 20-centesimo coins was made in 1930, in commemoration of 100th anniversary of the country's independence; 2,500,000 of the coins were struck in Paris, having a face value of 500,000 pesos.

The total number of silver pieces minted up to the middle of 1931 was as follows:

20-centesimo	5,000,000
50-centesimo	6,000,000
1-peso	1,550,000

No figures showing silver coin in circulation are available. The stocks of silver in the banks and the treasury at the end of 1931 were given by the Director of the United States Mint as 4,000,899 pesos, compared with a note issue of 81,031,000 pesos. The entire 4,000,899 pesos were held by the central bank. Silver coin in circulation at the end of 1930 was reported as 1,609,000 pesos, and in banks and the treasury, as 3,891,000 pesos.

[33] According to reports from the American commercial attaché in 1931, 270,000 pesos in silver were withdrawn in 1920 and 180,000 pesos more a year later.

VATICAN CITY

The monetary unit is the Italian lira, divided into 100 centesimi. The par value of the lira is approximately $0.0526.

Present legal provisions.—The monetary use of silver is governed by the following agreement:

MONETARY AGREEMENT BETWEEN THE VATICAN AND THE KINGDOM OF ITALY STIPULATED IN ROME ON AUGUST 2, 1930

ARTICLE 1. The Italian Government places the mint at Rome at the disposal of the Vatican; and the Vatican binds itself to make use of no other mint.

ART. 2. The Vatican coins will be identical with the Italian coins in regard to composition, face value, dimensions, and weight.

ART. 3. The Vatican and the Italian coins shall have the same legal tender quality in the Vatican City and in the Kingdom of Italy, respectively.

ART. 4. The Vatican state and the Italian state shall have the option of demanding exchange in Italian currency of the Vatican coins accumulated in the treasuries of the Italian state.

ART. 5. Gold coins may be minted to any amount. The amount of silver, nickel, and bronze coins shall not exceed 1,000,000 Italian lire for each of the first 5 years and 800,000 Italian lire for each of the following 5 years of the present agreement.

This amount shall be made up as follows:

Silver	759,000 lire.
Nickel	236,000 lire.
Bronze	14,000 lire.

During the second 5-year period these amounts shall be reduced 20 percent.

ART. 6. The Vatican state may mint coins, when a vacancy of the papal throne occurs, above the maximum limit established in the preceeding paragraph, provided the total amount does not exceed 1,500,00 Italian lire during the year in which the vacancy occurs.

ART. 7. Special agreements will be made in case a certain coin is retired from circulation by either party.

ART. 8. The Vatican state has the right to emit up to 10,000 sets of silver, nickel and copper monies with the commemorative date 1929 for sale and for donation in complete series, with the right to include or not gold coins.

ART. 9. The Italian state binds itself to apprehend and punish counterfeiters of Vatican money who operate in its territory, and the Vatican state assumes the same obligation toward possible counterfeiters of Italian money in its territory.

ART. 10. The present agreement shall last 10 years, with the option of being denounced by both parties after giving advance notice of at least 6 months.

An agreement similar to the above was made December 30, 1931, by the Vatican City and the Republic of San Marino.

Possibilty of increased use of silver without new legislation.—As shown below, the above-mentioned limit of 750,000 lire has been reached and no additional Vatican City silver can be issued without new legislation.

Attitude toward silver.—No intention to alter the present monetary use of silver has been reported.

Present employment of silver.—At the end of 1931 the amount outstanding of Vatican City silver coins (0.835 fine), was reported as follows:

10-lira pieces	500,000 lire.
5-lira pieces	250,000 lire.

These coins are legal tender for payments not exceeding 500 lire.

Apparently none of the Vatican City coins are in actual circulation, according to a 1931 report. Pursuant to a decree of January 13, 1931, based on article 8 of the agreement with Italy, 10,000 sets of silver, nickel, and copper commemorative coins, dated 1929, were manufactured for sale in sets only, and at a premium of about 100 lire per set. The face value per set, which includes a 50-lira coin, is 88.85 lire.

The Vatican City mint is no longer used, the coinage being struck by the Italian mint.

VENEZUELA

The monetary unit is the bolivar, divided into 100 centimos. The bolivar has a par value of approximately $0.1930.

Present legal provisions.—The silver coinage is regulated by the monetary law of June 24, 1918, which provides for a 5-bolivar coin, 0.900 fine, legal tender to 500 bolivares, and four other silver coins, 0.835 fine, legal tender to 50 bolivares. These four are the 2-bolivar, 1-bolivar, 59-centimo, and 25-centimo pieces. All of the silver coins have a gross weight of 5 grams per bolivar. (Some of the former silver 2½-bolivar coins were still in circulation in 1930.)

Article 15 of the monetary law states that no law may order the minting of silver unless it simultaneously orders the minting of double as much gold, but if, when the minting of silver is ordered, double the quantity in gold is already in the treasury reserves, the executive power may coin only such quantity of silver as the National Congress authorizes.

The exact significance of the latter part of article 15 is not clear.

Possibility of increased use of silver without new legislation.—No official information is available concerning this point. Article 15 would seem to indicate that no silver may be coined without some special law.

Attitude toward silver.—There is no legislation under consideration at the present time which would affect the use of silver currency in Venezuela.

In general, it may be stated that the use of bank notes is preferred by the average business house and individual in the larger cities and towns, due to the cumbersomeness of silver for large transactions. However, in the rural districts there is no decided preference for paper money, as the purchasing power of the peon class making up the major part of the population is low, and the small shopkeeper and merchant in the country villages require considerable quantities of small denomination currency. The smallest denomination banknote in the circulation is 10 bolivares, equivalent at par to $1.93. The general impression in banking circles is that the country's present supply of silver currency is entirely adequate and that any further coinage in the near future is improbable.

Present employment of silver.—Venezuela's stock of silver and other coin at the end of 1931 totaled about 84,200,000 bolivares, of which the bulk was in circulation. Coin in circulation on June 30, 1931, amounted to 56,916,798 bolivares.

The circulation of silver and nickel coin, combined, was estimated at 85,000,000 bolivares as of June 30, 1932.

VIRGIN ISLANDS

The monetary unit is the franc, divided into 100 bits. Five francs equal one "Danish West Indies dollar"[34] worth approximately $0.9648.

Present legal provisions.—Under the treaty negotiated at the ti the United States purchased the Virgin Islands from Denmark 1917, the Danish currency then in use was retained, including not of the National Bank of the Danish West Indies and the coin whi had been specially minted for the islands, corresponding in val but not in designation to the coin of Denmark. This arrangeme is still in effect; but with the expiration of the charter of the ba in 1934, American currency alone will remain in circulation.

The law establishing the currency system of the Virgin Islan was put into force on March 29, 1904.

Silver coins, as well as gold and gold notes, are unlimited leg tender for taxes and public dues, but for private obligations silv is legal tender in amounts not exceeding 25 francs.

The existing system provides for silver coins as follows:

Denomination	Fineness	Gross weigh
		Grams
5 francs	0.800	2
2 francs	.800	1
1 franc	.800	
50 bits	.800	

Present employment of silver.—Silver currency in the Virgin I lands at the end of 1930 was estimated at $66,000 according to th 1932 report of the Director of the Mint.

WINDWARD ISLANDS

The monetary unit is the pound sterling, divided into 20 shillings of 12 pence each. The par value of the pound sterling is approximately $4.8666.[35]

The British coinage system applies to the Windward Islands.

YUGOSLAVIA

The monetary unit is the dinar, divided into 100 paras. The dinar has a par value of approximately $0.0176.

Present legal provisions.—With the stabilization of the currenc by the law of May 11, 1931, gold and silver coins minted in accord ance with previous laws ceased to be legal tender.

The law of November 28, 1931, provided for the issuance o 200,000,000 dinars of 10-dinar and 250,000,000 dinars of 20-dina silver pieces. In July 1932 the Ministry of Finance, through th National Bank of Yugoslavia, put into circulation silver coins o

[34] This unit was coined under the name "five francs".

[35] The British West Indies dollar, a unit of account equivalent to 4 shillings and pence is in use, but is not coined. The value of the West Indies dollar was fixed 4 shillings and 2 pence by Ordinance No. 13 of 1879.

0 and 20 dinars.[26] These coins are 0.500 fine, and are legal tender n amounts not exceeding 500 dinars. The gross weight of the 10-inar piece is 7 grams, and that of the 20-dinar piece, 14 grams. It vas the original plan of the Government to withdraw from circu-ıtion the existing 10-dinar notes as soon as the issue of silver 10- nd 20-dinar coins was made. However, in view of the reported videspread complaint that there was insufficient money of small enominations in circulation, it was decided to release the new coin-ge without retiring the bank notes. The latter operation is left ntil a later date, when circumstances may be more favorable.

On August 15, 1932, a law was passed providing for the issuance f 550,000,000 dinars of 50-dinar pieces, 0.750 fine and legal tender 1,000 dinars. The purpose of this issue was stated to be that of neeting a budget deficit. In January 1933 it was reported that the 0-dinar silver coins had been issued.

Possibility of increased use of silver without new legislation.—Silver can be issued only in accordance with legislation especially assed for the purpose.

Attitude toward silver.—The Government, through its finance inister, has stated budget balancing to be its purpose in issuing ilver coins. Yugoslavia itself produces very little silver (in 1931, 5,000 ounces) and there is evident no tendency to make silver a tandard of value. It is said that the future attitude toward silver vill be the same as that of France.

Present employment of silver.—When the present program is com-leted, 1,000,000,000 dinars in silver coin will be in circulation. This ompares with a note circulation of the National Bank of the King-om of Yugoslavia amounting to approximately 4,773,000,000 dinars t the end of 1932.

Up to December 31, 1932, there had been delivered to the national ank 419,200,000 dinars in newly minted silver coins. Of this mount, 331,057,660 dinars were in circulation on December 31, 1932, 8,142,340 dinars being held by the national bank. The 50-dinar oins were first put into circulation on January 23, 1933. In the niddle of March 1933 it was estimated that there were approxi-nately 450,000,000 dinars of the new silver coins in circulation.

ZANZIBAR [27]

The monetary unit is the British Indian rupee, divided into 16 annas. The rupee has a par value of approximately $0.365.

The British Indian rupee is legal tender without limit as to maxi-num payment. Apart from the fractional Indian coins, a 1/8-rupee ilver piece, proportionate in weight to the rupee, is especially coined or Zanzibar.

British East African and British currency circulate in Zanzibar t a small discount.

Present employment of silver.—At the end of 1931 monetary silver otaled 1,700,000 rupees, of which the treasury held 200,000; the anks, 500,000; and the public, 1,000,000 rupees.

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[26] During 1932 the French Mint struck 4,000,000 10-dinar pieces.
[27] Politically Zanzibar is a part of British East Africa, but its currency system is ifferent.

STOCK OF SILVER IN VARIOUS COUNTRIES, INSOFAR AS KNOWN

Country	In circulation	In banks	In treasury	Variously held	Date of holdings and remarks [2]
	Thousands	*Thousands*	*Thousands*	*Thousands*	
Albania—francs	9	250			1931.
Algeria—do		53,000			1931.
Anglo-Egyptian Sudan—Egyptian pounds	921	8	845		1931.
Australia—Australian pounds		2,403			1929.
Austria—schillings	80,355	2,807			October 1932. Bank hol ings for national ba only.
Barbados—pounds				150	1930.
Bolivia—bolivianos		180			1932.
British East Africa—pounds			219	††2,966	June 1931.
British Guiana—U.S. dollars				‡§205	1930.
British India—rupees			1,106,636	††1,433,000	1931; treasury figure, e of 1932.
British North Borneo—Straits dollars			17	††15	1931.
British Somaliland—pounds	912		188		1931.
British West Africa—do	386				1931.
Bulgaria—levs	807,182				March 1933.
Canada—dollars	28,160				October 17, 1932.
Ceylon—rupees	10,344	16,779			1931. The circulation fi ure covers subsidiary co only.
Chile—pesos				17,544	March 1933.
China—fine ounces				{1,600,000–2,000,000}	1932.
Colombia—pesos	11,551				October 1932.
Costa Rica—colones	1,494				Figure includes 564,020 col nes of silver certificat representing silver in ban
Cuba—pesos	12,000				1933.
Cyprus—pounds	148				1931.
Czechoslovakia—koruny	518,000	6,446			Circulation figure 1932; ban figure, representing silv in National Bank of Czec oslovakia, 1931.
Danzig, Free State of—gulden	6,269	3,731			1931. Banks figure, Bank Danzig, only.
Denmark—kroner	None	5,710	None		1931. Bank of Denma holdings.
Dominican Republic—dollars				‡§282	1931.
Ecuador—sucres	5,011			[3] ‡§3,269	1932.
Egypt—Egyptian pounds			2,000	††4,158	1932.
Estonia—krooni	2,018				April 1932. Represents 19 000 fine ounces.
Ethiopia—Maria Theresa dollars	35,000	4,000	6,000		1931.
Fiji Islands—pounds	25	51			1931.
Finland—finnmarks	None	44,300			1931. Bank of Finland.
France—fine ounces	None	29,554	36,611		1932.
French Guiana—U.S. dollars				‡§194	1930.
French Indo-China—piastres	3,957		13,043		February 1933. New piast coins only. Old coins a subsidiary silver not i cluded.
Germany—reichsmarks	1,676,000		(4)		October 1932. Reichsbank usual holdings about 27 000,000 reichsmarks.
Greece—drachmas			117,000	††188,000	October 1932.
Guatemala—quetzales	1,192	320			1930.
Haiti—U.S. dollars				‡§17	1931.
Hedjaz—Saoudi ryals	1,500				May 1932. Saoudi rya only.
Honduras—lempiras				††1,900	1932.
Hong Kong—Hong Kong dollars	150,000	50,000			November 1932. Total equa about 150,000 fine ounce (See section on Hon Kong.)

See footnotes at end of table.

Stock of silver in various countries, insofar as known—Continued

Country	In circulation	In banks	In treasury	Variously held	Date of holdings and remarks [2]
	Thousands	*Thousands*	*Thousands*	*Thousands*	
Hungary—pengö	10,268			‡§1,454	1931. The 1,454,000 pengö are in the treasury and central bank only. (See section on Hungary.)
Hyderabad—o.s. rupees	194,000		51,700		September 1930. Also in circulation in 1930 was an estimated 5,000,000 rupees of British Indian currency.
Iraq—British dinars	201				British Indian coin figure, March 1932; Iraqi coin figure, September 1932.
Iraq—Indian rupees	12,184				
Irish Free State—pounds	712	314			1931.
Italy—lire	1,635	(5)	[6] 5,329		1932. Circulation figure applies to September.
Jamaica—U.S. dollars				‡§876	1931.
Japan—yen				††465,736	1931.
Latvia—lats	25,200		13,800		September 1932.
Lithuania—litu	10,890		1,500		November 1932.
Madagascar—francs				††§20,000	1931. Old 5-franc coins.
Malta—pounds	[7] 700			‡§55	1931.
Mauritius—rupees			4,774		May 1930.
Mexico—pesos		[8] 69,441		††200,500	January 1933. (See section on Mexico.)
Morocco (French, Spanish, and international zones)—francs	17,550	12,478			1931.
Mozambique—pounds	2	1			1931.
Netherland India—florins	380,600	[9] 46,105			1932.
Netherland West Indies—guilders				‡§552	1931.
Netherlands—florins				††134,700	February 1933.
				‡§28,183	1931.
New Guinea, Eastern—pounds	2,667				1930.
New Zealand—do	[10] 1,000	*5,471			August 1932.
Nicaragua—cordobas	307				1932.
Norway—kroner	24,900				1931.
Nyasaland—pounds	144		186		1931.
Palestine—Palestine pounds	287				1932.
Panama—balboas	532				1932. Issued under 1930 law. Other silver coin, including American, not included.
Persia—krans			200,000	††350,000	February 1932. Replacement of krans by rial has since commenced.
Peru—soles	[11] 18,053	[12] *6,620			1932.
Philippine Islands—pesos	15,119		[13] 6,343		November 1932. United States silver and silver certificates in circulation not included.
Poland—zlote	98,512				June 1932.
Portugal—escudos	32,480				Oct. 31, 1932.
Rhodesia, Southern—pounds	400	40			1931.
Rumania—lei				††1,840,000	1932. Represents 4,141,000 fine ounces.
Salvador—colones	1,078				1932. Some United States silver also circulates.
Sarawak—Straits dollars	*2,178				1931. Includes paper money and minor coin.
Siam—bahts	(4)		[14] 43,372		1932.
Southwest Africa—pounds		28			1931.
Spain—pesetas	400,000	[15] 601,000			January 1933.
Straits Settlements—Straits dollars					For details, see section on Straits Settlements.
Sweden—kronor	[16] 51,800	[17] *4,194			1931.
Switzerland—francs	158,980		(4)		1931. Central bank holds a negligible amount.
Syria—Syrian pounds	[18] 5,250	[19] 121	[19] 58		1932.
Trinidad—U.S. dollars				917	1930.
Union of Soviet Socialist Republics—rubles	267,600				1931.
Union of South Africa—pounds	1,600	545		[20] 405	1931.
United Kingdom—do		(21)		[19] 49,000	
United States of America—dollars		(22)	521,804	[23] ††622,782	March 1933. Circulation figure includes $376,185,000 of silver certificates. The figure $160,809,000 includes silver certificates totaling $122,431,000.

See footnotes at end of table.

Stock of silver in various countries, insofar as known—Continued.

Country	In circulation	In banks	In treasury	Variously held	Date of holdings and remarks [2]
	Thousands	*Thousands*	*Thousands*	*Thousands*	
Uruguay—pesos	[24] 1,609			†§4,001	1931.
Vatican City—lire	[11] 750				1931.
Venezuela—bolivares	[25] *85,000			††§84,200	1931.
Virgin Islands—U.S. dollars				66,000	1930.
Yugoslavia—dinars	450,000				March 1933.
Zanzibar—rupees	1,000	500	200		1931.

[1] An asterisk (*) indicates figure includes coin of other metal than silver. A dagger (†) indicates "circulation"; a double dagger (‡) indicates "in banks"; a section mark (§) indicates "in treasury."
[2] With few exceptions, the data represent the end of the year or month mentioned.
[3] 1931.
[4] Negligible amount.
[5] Bank of Italy, 107,000 fine ounces.
[6] Fine ounces.
[7] 1928.
[8] March 1933.
[9] Or 11,500,000 fine ounces in Bank of Java.
[10] 1930 estimate.
[11] Outstanding.
[12] September 1932.
[13] In treasury-certificate fund as partial security for certificates in circulation.
[14] In the form of baht coins.
[15] Bank of Spain's stock.
[16] Outstanding 1928.
[17] In Bank of Sweden.
[18] Includes Turkish coins estimated to be worth 4,000,000 Syrian pounds.
[19] 1931.
[20] In treasury and central bank.
[21] In banks of United Kingdom and Irish Free State, but not including 15,789,000 pounds in Bank England. In Bank of England, Jan. 18, 1933, 3,716,000 pounds.
[22] Held by Federal Reserve banks and agents only, $160,809,000.
[23] Not including amount held by Federal Reserve banks and agents.
[24] 1930.
[25] June 1932.

ADDENDUM

THE GERMAN RECOINAGE PROGRAM

Submitted by Sidney B. Redecker, American consul, Frankfort-on-Main, April 1, 1933. This information supplements that given in the consul's report quoted on pages 61 and 62. It will be noted that not all of the later figures agree with those earlier reported

The plan to reorganize Germany's coinage, announced some weeks ago, was definitely authorized by governmental Decree on March 18, 1933. It will involve the most comprehensive reform of Germany's coinage since the reichsmark was stabilized in 1924, and will effect currency of a total nominal value of around 1,600,000,000 reichsmarks. The program will extend over a period of 3 years.

The reorganization will involve the release for sale by the Reich of about 640 metric tons[1] of fine silver (having a current market value of about 25,000,000 reichsmarks) and will create a demand for about 1,280 metric tons of nickel, valued currently at about 5,000,000 reichsmarks. The surplus of silver to be thus created will represent about 10 percent of the present annual world mine output of the metal.

Under the plan the present issue of one hundred fifty two million 5-mark pieces, weighing 25 grams each, containing 12½ grams of silver (1,900 metric tons of silver in all), and having a value of 760,000,000 reichsmarks, will be withdrawn, and there will be issued instead new coins of smaller size (that of the existing 3-mark piece). The new coins, however, will contain the same quantity of silver as the present larger 5-mark coin, so that the silver content of the new coin will be increased to 0.900 instead of 0.500 as at present. This operation, therefore, will involve no change in the amount of silver required for the 5-mark pieces.

The 3-mark coins, numbering 90,000,000, with a total nominal value of 270,000,000 reichsmarks and containing a total of 675 tons of silver, will be entirely withdrawn and no new coins of this denomination issued. The silver resulting from the melting down of this denomination will be used for the minting of additional 2- and 5-mark pieces, so that presumably no surplus metal will result from this particular operation.

In the case of the 2-mark pieces, of which there are at present 107,000,000 with a total nominal value of 214,000,000 reichsmarks (and a fine content of 535 tons of silver), it is planned to reissue these coins 0.625 fine instead of 0.500. The additional silver required will be obtained through the melting down of the 3-mark pieces, as mentioned above.

[1] 1 meric ton = 1,000 kilograms = 32,150.7 fine ounces troy.

From a metal-trade point of view, the really interesting part o the entire reorganization plan will be the change in regard to th 1-mark pieces, of which 256,200,000 reichsmarks, representing 64 metric tons of fine silver, are outstanding. These pieces will b entirely withdrawn from circulation and replaced by new coins o nickel, thus creating a demand for 1,280 metric tons of nickel.

The elimination of the 1-mark silver coins will also yield aroun 640 tons of copper, to which should be added the copper from th 3-mark coins to be demonetized, and the decreased copper content o the new 5-mark pieces. The copper so obtained will, of course, hav little commercial importance.

Despite the estimated charges of 30,000,000 reichsmarks involve in the recoinage, it is not expected that the changes will cause grea expense to the Government, since a considerable profit will b realized from the substitution of nickel in the 1-mark coins. Thi profit, it is anticipated, will amount to around 20,000,000 reichs marks, plus a certain return from the sale of excess base metal so that most of the costs will be covered.

In view of the scope of the coinage plan and due to the desir to avoid undue pressure upon the price of silver such as would b caused by the sale of the entire surplus at one time, it is proposed to proceed with the minting work gradually and spread it ove a period of three years. Moreover, the Government is especially desirous of spreading sales over a long period in its own interest for it is reported that the Netherlands also contemplates simila recoinage operations involving the release of about 500 metric ton of silver. It is also reported that for the refining of this meta a silver refinery will be established in that country. Netherlands hitherto has been dependent upon foreign refineries. The new Dutch plant will have a per diem capacity of 500 kilograms [2] o silver.

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[2] 1 kilogram = 32.1507 + fine ounces troy.

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